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Application Proof of

CSG Smart Science & Technology Co., Ltd.
科大智能科技股份有限公司

(the "**Company**")

(A joint stock company incorporated in the People's Republic of China with limited liability)

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CSG SMART SCIENCE & TECHNOLOGY CO., LTD.
科大智能科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under 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]	**:**	**[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.0 per H Share**
[REDACTED]	**:**	**[●]**

Joint Sponsors

华泰国际 HUATAI INTERNATIONAL

國元國際 GUOYUAN INTERNATIONAL

[REDACTED]

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The [**REDACTED**] is expected to be fixed by agreement between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and our Company on the [**REDACTED**] Date. The [**REDACTED**] Date is expected to be on or before [**REDACTED**] (Hong Kong time) and, in any event, not later than 12:00 noon on [**REDACTED**] (Hong Kong time). The [**REDACTED**] will be not more than [**REDACTED**] per [**REDACTED**] and is currently expected to be not less than [**REDACTED**] per [**REDACTED**]. Applicants for [**REDACTED**] are required to pay, on [**REDACTED**] (subject to [**REDACTED**] channel), the maximum [**REDACTED**] of [**REDACTED**] per [**REDACTED**] together with brokerage of 1%, SFC transaction levy of 0.0027%, the Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the [**REDACTED**] should be less than [**REDACTED**] per [**REDACTED**]. If, for any reason, the [**REDACTED**] is not agreed between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and our Company by 12:00 noon on [**REDACTED**], the [**REDACTED**] (including the [**REDACTED**]) will not proceed and will lapse.

The [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) may, with our consent, reduce the number of [**REDACTED**] being [**REDACTED**] under the [**REDACTED**] and/or the indicative [**REDACTED**] below as stated in this Document at any time on or prior to the morning of the last day for lodging [**REDACTED**] under the [**REDACTED**]. In such a case, notices of the reduction in the number of [**REDACTED**] being [**REDACTED**] under the [**REDACTED**] and/or the indicative [**REDACTED**] will be published on the websites of our Company at **www.csg.com.cn** and the Stock Exchange at **www.hkexnews.hk** as soon as practicable but in any event not later than the morning of the day which is the last day for lodging [**REDACTED**] under the [**REDACTED**]. Details of the arrangement will then be announced by us as soon as practicable. For further information, please refer to the sections headed "Structure of the [**REDACTED**]" in this Document.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. Further details of such circumstances are set out in "[REDACTED] — [REDACTED] Arrangements and Expenses — Grounds for Termination".

The [**REDACTED**] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be [**REDACTED**], sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The [**REDACTED**] are being [**REDACTED**] and sold to non-U.S. persons outside the United States in offshore transactions in accordance with [**REDACTED**].

[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

CONTENTS

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You should rely only on the information contained in this Document to make your [**REDACTED**] *decision. We have not authorized anyone to provide you with information that is different from what is contained in this Document. Any information or representation not made in this Document must not be relied on by you as having been authorized by us, the Joint Sponsors, the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *any of their respective directors or any other person or party involved in the* [**REDACTED**].

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SUMMARY

This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is only 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 [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any investment. Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in "Risk Factors." You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**]. *Various expressions used in this section are defined or explained in "Definitions" and "Glossary of Technical Terms" in this Document.*

OVERVIEW

We are a major technology enterprise that is driven by the dual engines of (i) Power Equipment and Energy Storage and (ii) Robots in the PRC, according to Frost & Sullivan. We are committed to integrating advanced technologies to drive the digital upgrades of energy system under the new electricity system in the PRC, accelerating digital transition in industrial manufacturing, and establishing smart microgrids in the fields of energy and industrial sectors.

Our core business comprises the design, manufacture and sales of industrial equipment and system-based solutions, including power distribution and consumption equipment, energy storage systems and industrial robots, which together accounted for the substantial majority of the Group's revenue during the Track Record Period. Specifically, we primarily operate the following two business segments:

Power Equipment and Energy Storage: We have been deeply engaged in the smart power distribution and consumption sector in the PRC since our inception in 2002. According to Frost & Sullivan, we are one of the earliest companies in the PRC to enter the power distribution and consumption automation field, and as of the Latest Practicable Date, our products and solutions were deployed across power grids in 31 provincial administrative regions nationwide. Our main products include integrated primary-secondary circuit breakers, ring main units, feeder terminal unit ("**FTU**"), distribution terminal unit ("**DTU**"), and low-voltage distribution area and electricity consumption collection systems. We have provided products and solutions to China's largest state-owned power grid company for over two decades. According to Frost & Sullivan, in terms of revenue in 2025 in the PRC, we ranked second in the integrated primary-secondary circuit breaker market, sixth in the ring main unit market, second in the FTU market and fourth in the DTU market. As of the Latest Practicable Date, we had also actively participated in formulating ten national and industry standards and received 47 awards, including the *First Prize of the 2025 Electric Power Science and Technology Progress Award*. Moreover, we are continuously exploring advanced technologies, and in 2023, we had successfully applied quantum-encrypted technology in our smart switch products for a power grid project of our customer. We use quantum keys to encrypt remote control commands and status data, achieving high-security communication and control. This technology is still in the small-scale pilot application stage.

Meanwhile, we have expanded into the commercial and industrial ("**C&I**") energy storage business. According to Frost & Sullivan, our C&I energy storage system shipment volume ranked among China's top ten in 2025. Specifically, within the high-energy-consumption segment, our C&I energy storage system ranked among China's top three by shipment volume in 2025. Leveraging sustained investment in power electronics technology and deep understanding of power grids, we have successfully developed a grid-friendly grid-forming energy storage system. The system is capable of actively supporting grid voltage and frequency, enhancing stability in scenarios with high penetration of new energy or weak power grids. Relevant products have completed the development of engineering prototypes and have been delivered and put into operation in multiple microgrid projects. By integrating advanced technologies, we are establishing power trading and smart microgrid management systems for energy-intensive users such as enterprises in steel, non-ferrous metals and petroleum industries, supporting their participation in electricity trading market and virtual power plant aggregation, thereby enhancing energy utilization efficiency and digital levels of our asset operations. Currently, the system is being piloted at a small number of customer sites and has not yet generated scaled revenue.

Robots: With over two decades of deep expertise in the field of industrial robot, we currently provide products and solutions including industrial manipulators, stackers, and inspection robots to grid companies and large industrial customers. According to Frost & Sullivan, we are one of the industrial robotics manufacturers that simultaneously possess advanced technology as well as large-scale and multi-scenario implementation capabilities. According to the same source, our cumulative revenue from 2020 to 2025 for industrial manipulators ranked first in the PRC, and our cumulative revenue from 2020 to 2025 for storage and retrieval machine stacker ("**SRM stacker**") in the lithium battery industry ranked first in the PRC. In recent years, we have consistently enhanced the operational precision and efficiency of our robot products and solutions under complex working environments by integrating advanced visual recognition and decision-making algorithms. As of the Latest Practicable Date, we had delivered over a thousand projects in sectors including new energy, automotive, engineering machinery, and rail transit, and therefore had accumulated first-hand experience and expertise in multiple industries, enabling us to empower more industries and scenarios in the future.

Technological and Market Synergy Between Business Segments: Our business model deeply integrates products and solutions. Our core products and solutions adopt a hardware-software combined design to address the digital and customized needs of customers in the energy and industrial sectors under various scenarios. Our two business segments share a common technology foundation and collaborative ecosystem. Meanwhile, both business segments serve large industrial clients and share common customer channels. With our "shared technology, synergistic market" layout, we have become one of the innovators in the PRC capable of integrating advanced technologies and implementing solutions across multiple scenarios in energy and industrial sectors, according to Frost & Sullivan. See "Business — Overview — Technological and Market Synergy Between Business Segments" for more details.

OUR COMPETITIVE STRENGTHS

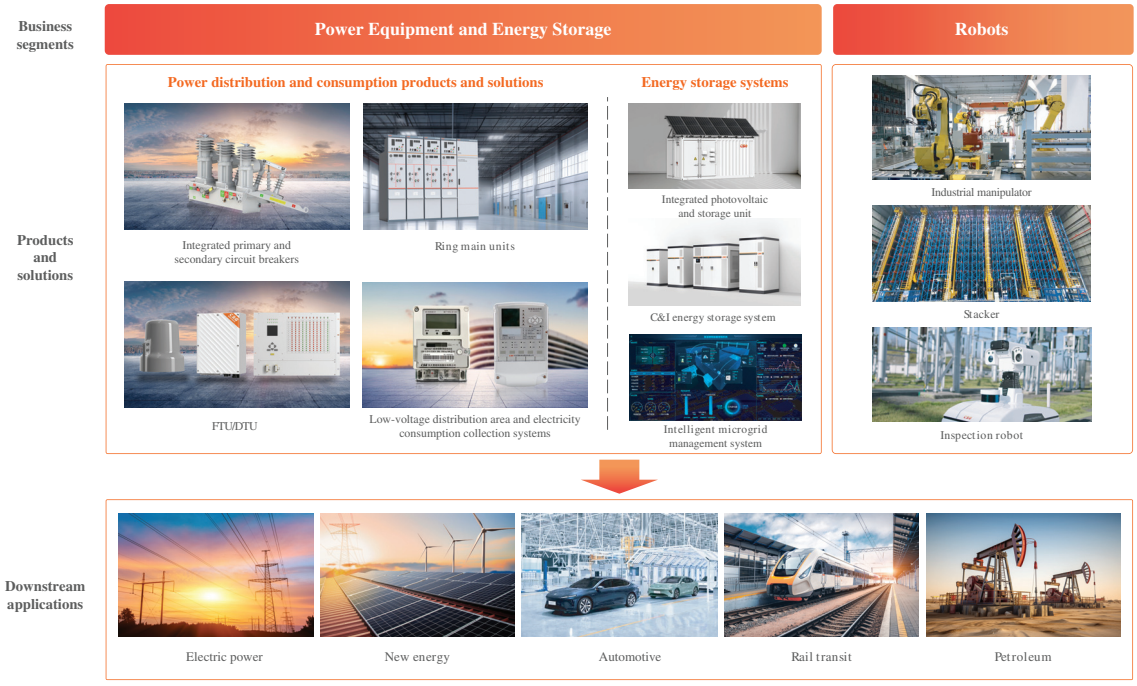
Our competitive strengths include: (i) over two decades of experience forging a solid foundation and stable position in power equipment and energy storage and industrial robot sectors in the PRC; (ii) established "Generation-Grid-Load-Storage" full industry chain coverage in Power Equipment and Energy Storage, and hardware and software integrated platform layout in Robots; (iii) strong R&D capabilities driving our continuous innovation; (iv) extensive customer coverage and multi-scenario solution capabilities; and (v) forward-looking and experienced management team driving long-term development. See "Business — Our Competitive Strengths."

OUR STRATEGIES

Our strategies includes: (i) consolidate technological advantages in our two business segments, and enhance AI empowerment to expand and deepen our adaptability to more application scenarios; (ii) strengthen sales network, broaden our customer base and improve customer service; (iii) develop global supply chain capabilities and improve operational efficiency; (iv) attract and develop high-quality talent to drive growth and achieve strategic goals; and (v) drive green sustainable development adhering to high ESG standards. See "Business — Our Strategies."

OUR PRODUCTS AND SOLUTIONS

Our two major business segments are (i) Power Equipment and Energy Storage and (ii) Robots. The following diagram illustrates our business segments, products and solutions, and downstream applications.



The following table sets forth a breakdown of our revenue by business segment during the Track Record Period.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Power Equipment and Energy Storage	2,000,676	66.1	2,101,174	78.2	2,314,292	76.8	979,362	74.0	1,150,914	75.5
Robots	1,023,862	33.9	585,641	21.8	700,822	23.2	343,701	26.0	372,892	24.5
Total	**3,024,538**	**100.0**	**2,686,815**	**100.0**	**3,015,114**	**100.0**	**1,323,063**	**100.0**	**1,523,806**	**100.0**

See "Financial Information — Description of Major Components of Our Results of Operations — Revenue" for more details.

RESEARCH AND DEVELOPMENT

By maintaining a solid focus on research and technological advancement, we continue to develop in power equipment and energy storage sector, pushing the boundaries of automation with solutions that meet a wide range of users' needs. As of June 30, 2026, we held 229 invention patents, 349 utility model patents, 59 design patents, and 268 software copyright registrations. Our cumulative total research and development expenses during the Track Record Period amounted to RMB740.3 million. See "Business — Research and Development" for details.

SALES, MARKETING AND CUSTOMER SERVICE

We adopt a direct sales model to sell our products and solutions to customers. We primarily provide products and solutions to direct sales customers in PRC and overseas. We secure most of our products and solutions contracts via competitive public tendering. To a lesser extent, we also acquire customers via responding to invitation to quote or solicitation. See "Business — Sales, Marketing and Customer Service" for details.

OUR CUSTOMERS AND SUPPLIERS

The primary customers of our Power Equipment and Energy Storage business are state-owned grid companies and large energy-intensive enterprises, such as those in the petroleum, steel, and metallurgy industries. The primary customers of our Robots business are companies in electric power, automotive, and rail transit industries. In 2023, 2024, 2025 and the six months ended June 30, 2026, revenue from our five largest customers amounted to RMB1,238.1 million, RMB1,191.9 million, RMB1,471.6 million and RMB711.0 million, accounting for 40.9%, 44.4%, 48.8% and 46.7%, respectively, of our revenue in the respective year or period. Revenue generated from our single largest customer for each year or period during the Track Record Period accounted for 23.5%, 32.3%, 34.2% and 34.5%, respectively, of our total revenue during in respective year or period. See "Business — Our Customers" for details.

Our key materials mainly include electronic components (e.g., chips, capacitors and printed circuit boards ("**PCB**")), metallic materials (e.g., copper, steel, aluminum and iron), and insulating materials. In 2023, 2024, 2025 and the six months ended June 30, 2026, the aggregate purchases from our five largest suppliers amounted to RMB196.3 million, RMB291.1 million, RMB432.2 million and RMB128.6 million, which accounted for 7.5%, 8.7%, 16.1% and 9.6% of our total purchases, respectively. For each year or period during the Track Record Period, our single largest supplier accounted for 1.8%, 3.3%, 8.8% and 2.9%, respectively, of our total purchases. We do not believe we are exposed to concentration risk or reliant on any single supplier. See "Business — Our Suppliers" for details.

PRODUCTION AND MANUFACTURING

We have built a highly structured production and manufacturing system that combines strict quality control with advanced industry practices to produce innovative solutions. We manufacture substantially all of our products in-house at our production bases in the PRC. We also collaborate with external suppliers to manufacture and supply a portion of the structural parts required for our production. Our main production base in Hefei handles the production of most of our products and robots under Power Equipment and Energy Storage segment, utilizing both shared and mixed production lines for efficiency. We also have one production base related to low-voltage distribution boards and robots in Shanghai, one production base of stackers in Shenzhen, and a one production base in Jiangshan, Zhejiang Province, primarily for the manufacture of transformers. See "Business — Production and Manufacturing" for details.

OUR SINGLE LARGEST SHAREHOLDER

As of the Latest Practicable Date, Dr. Huang, an executive Director and the chairman of our Board directly held 170,875,862 A Shares, accounting for approximately 21.84% of the issued share capital of our Company. Immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised, the options granted under the 2025 Share Incentive Scheme are 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 interested in approximately [**REDACTED**] of the total issued share capital of our Company. Dr. Huang will remain as the Single Largest Shareholder of our Company. See "Relationship with our Single Largest Shareholder" and "Directors and Senior Management" for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountants' Report as set out in Appendix I to this Document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this Document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Summary of Consolidated Statements of Comprehensive Income

The following table sets forth our consolidated statements of comprehensive income with line items in absolute amounts and as percentages of our revenue for the years/periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
REVENUE	**3,024,538**	**100.0**	**2,686,815**	**100.0**	**3,015,114**	**100.0**	**1,323,063**	**100.0**	**1,523,806**	**100.0**
Cost of sales	(2,396,076)	(79.2)	(2,047,195)	(76.2)	(2,349,447)	(77.9)	(1,005,703)	(76.0)	(1,144,903)	(75.1)
GROSS PROFIT	**628,462**	**20.8**	**639,620**	**23.8**	**665,667**	**22.1**	**317,360**	**24.0**	**378,903**	**24.9**
Other income	80,102	2.7	88,648	3.3	73,646	2.4	44,511	3.3	52,840	3.4
Other gains and losses, net	(1,815)	(0.1)	7,779	0.3	6,930	0.2	2,851	0.2	18,368	1.2
(Provision)/reversal of impairment losses on financial and contract assets	(7,030)	(0.2)	(16,577)	(0.6)	(4,977)	(0.2)	9,683	0.7	11,236	0.7
Impairment losses on non-current assets	(4,516)	(0.1)	–	–	–	–	–	–	–	–
Research and development expenses	(259,732)	(8.6)	(194,073)	(7.2)	(183,709)	(6.1)	(84,028)	(6.4)	(102,778)	(6.7)
Administrative expenses	(258,877)	(8.6)	(206,229)	(7.7)	(211,521)	(7.0)	(94,027)	(7.1)	(108,651)	(7.1)
Selling expenses	(289,979)	(9.6)	(233,938)	(8.7)	(252,256)	(8.4)	(110,458)	(8.3)	(118,180)	(7.8)
Share of results of associates, net	(2,601)	(0.1)	5,164	0.2	1,066	0.0	2,079	0.2	(6,656)	(0.4)
Finance costs	(24,435)	(0.8)	(15,018)	(0.6)	(6,270)	(0.2)	(3,244)	(0.2)	(3,214)	(0.2)
(LOSS)/PROFIT BEFORE INCOME TAX	**(140,421)**	**(4.6)**	**75,376**	**2.8**	**88,576**	**2.9**	**84,727**	**6.4**	**121,868**	**8.0**
Income tax expenses	(30,296)	(1.0)	(13,808)	(0.5)	(2,911)	(0.1)	(5,441)	(0.4)	(10,629)	(0.7)
(LOSS)/PROFIT FOR THE YEARS OR PERIODS	**(170,717)**	**(5.6)**	**61,568**	**2.3**	**85,665**	**2.8**	**79,286**	**6.0**	**111,239**	**7.3**

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net (loss)/profit (non-IFRS measure) and adjusted net (loss)/profit margin for the years or periods (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We define adjusted net (loss)/profit (non-IFRS measure) as (loss)/profit for the years or periods, adjusted by adding back share-based payment expenses and [**REDACTED**]. We define adjusted net (loss)/profit margin for the years or periods (non-IFRS measure) as adjusted net (loss)/profit for the years or periods, divided by revenue for the respective years or periods and multiplied by 100.0%. The following table reconciles our adjusted net (loss)/profit for the years or periods (non-IFRS measure) and adjusted net (loss)/profit margin for the years or periods (non-IFRS measure) presented in accordance with IFRS, which is (loss)/profit for the years or periods:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
(Loss)/profit for the year/period	(170,717)	61,568	85,665	111,239
Add back:				
Share-based payment expenses[(1)]	7,080	1,125	24,065	19,173
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Adjusted net (loss)/ profit for the year/period (non-IFRS measure)	(163,637)	62,693	110,701	130,550
Adjusted net (loss)/ profit margin for the year/period (non-IFRS measure)	(5.4%)	2.3%	3.7%	8.6%

Note:

(1) Share-based payment expenses represents expenses recognised for equity-settled awards granted under our equity incentive plans. These expenses are non-cash in nature and represent the arrangement under which we receive services from employees in exchange for our equity instruments. Share-based payment expenses is not expected to result in future cash payments.

Impact of the Historical Disposals During the Track Record Period

We disposed of certain equity interests in several entities that were non-core or underperforming under our existing business segments, including Hongda Electric, Hefei Soongo, CSG Automate, and Huaxiao Precision in 2023 and 2024 (the "**Historical Disposals**"). As a result of the Historical Disposals, our financial statements in 2023 and 2024 had been impacted. For the purposes of illustrating the impact of Historical Proposals, we have also prepared discussions and analyses on certain major line items of our financial statements. See "Financial Information — Key Factors Affecting Our Results of Operations — Impact of the Historical Disposals During the Track Record Period," "Financial Information — Results of Operations — Comparisons Between 2024 and 2023" and "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position" for details.

Revenue

During the Track Record Period, our revenue was derived from the sales of products and solutions under (i) Power Equipment and Energy Storage and (ii) Robots segments.

Our revenue generated from Power Equipment and Energy Storage segment was RMB2,000.7 million in 2023 and RMB2,101.2 million in 2024, with a year-on-year growth of 5.0%. Our revenue generated from Power Equipment and Energy Storage segment increased by 10.1% from RMB2,101.2 million to RMB2,314.3 million in 2024 and 2025. In 2023, the revenue generated from Power Equipment and Energy Storage segment attributable to disposed subsidiaries in the Historical Disposals was RMB469.5 million, and no revenue was recorded by such subsidiaries in 2024 and 2025 ever since the Historical Disposals. Our revenue generated from the Power Equipment and Energy Storage segment increased by 17.5% from RMB979.4 million for the six months ended June 30, 2025 to RMB1,150.9 million for the six months ended June 30, 2026, primarily due to the increases in downstream demand for our products and solutions, which led to the growth in the number of orders.

Our revenue generated from Robots segment was RMB1,023.9 million in 2023 and RMB585.6 million in 2024, with a year-on-year decrease of 42.8%. Our revenue generated from Robots segment increased by 19.7% from RMB585.6 million in 2024 to RMB700.8 million in 2025. In 2023, the revenue generated from Robots segment attributable to disposed subsidiaries in the Historical Disposals was RMB279.7 million, and no revenue was recorded by such subsidiaries in 2024 and 2025 ever since the Historical Disposals. Our revenue generated from the Robots segment increased by 8.5% from RMB343.7 million for the six months ended June 30, 2025 to RMB372.9 million for the six months ended June 30, 2026, primarily due to the growth in revenue from industrial manipulators and stackers, driven by an increase of number of orders.

Gross Profit and Gross Profit Margin

Our gross profit was RMB628.5 million, RMB639.6 million, RMB665.7 million in 2023, 2024 and 2025, and RMB317.4 million and RMB378.9 million for the six months ended June 30, 2025 and 2026, respectively. Our gross profit margin was 20.8%, 23.8%, 22.1%, 24.0% and 24.9% for the respective years and periods.

In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, we recorded gross profit of RMB424.4 million, RMB471.0 million, RMB504.9 million, and RMB227.1 million and RMB285.3 million, respectively, for our Power Equipment and Energy Storage segment, with gross profit margin of 21.2%, 22.4%, 21.8%, 23.2% and 24.8% for the respective years and periods.

In 2023, 2024 and 2025, we recorded gross profit of RMB204.0 million, RMB168.7 million and RMB160.8 million, respectively, for our Robots segment, with gross profit margin of 19.9%, 28.8% and 22.9% for the respective years, primarily due to (i) our disposals in relation to our AGV and body-in-white welding line businesses which were recorded relatively low profit margin in 2024; and (ii) an increase in raw materials costs in 2025. Our gross profit remained stable at RMB90.3 million and RMB93.6 million for the six months ended 2025 and 2026, with gross profit margin of 26.3% and 25.1% for the respective periods.

Profit for the Years or Periods

Our net loss for the year of RMB170.7 million in 2023 was turned into net profit for the year of RMB61.6 million in 2024, primarily because (i) the subsidiaries disposed of in the Historical Disposals recorded loss for the year of RMB67.9 million in 2023 as compared to RMB9.3 million in 2024, and (ii) we recorded decreases in research and development expenses, administrative expenses and selling expenses resulted from the Historical Disposals.

Our net profit increased by 39.1% from RMB61.6 million in 2024 to RMB85.7 million in 2025, primarily due to (i) an increase in gross profit and (ii) decreases in provision of impairment losses on financial assets and financial costs resulted from our optimization of our capital structure, partially offset by increases in administrative expenses and selling expenses in line with our revenue growth.

Our net profit increased by 40.3% from RMB79.3 million for the six months ended June 30, 2025 to RMB111.2 million for the six months ended June 30, 2026, primarily due to (i) an increase in revenue and gross profit and (ii) net gains recorded on dilution of interests in Hefei Soongo, our associate.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary 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'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS				
Total current assets	4,281,979	3,767,841	3,499,522	3,661,474
Total non-current assets	1,160,573	1,119,836	1,123,579	1,333,952
LIABILITIES				
Total current liabilities	3,344,824	2,848,257	2,589,517	2,734,067
Total non-current liabilities	431,334	330,567	224,500	291,190
NET CURRENT ASSETS	937,155	919,584	910,005	927,407
NET ASSETS	1,666,394	1,708,853	1,809,084	1,970,169

Our net assets slightly increased from RMB1,666.4 million in 2023 to RMB1,708.9 million in 2024, primarily due to profit for the year of RMB61.6 million, partially offset by (i) repurchase of shares of RMB24.0 million, and (ii) disposals of subsidiaries of RMB5.2 million. Our net assets increased from RMB1,708.9 million in 2024 to RMB1,809.1 million in 2025, primarily due to (i) profit for the year of RMB85.7 million, and (ii) share-based payment expense of RMB25.8 million, partially offset by other equity loss of RMB8.5 million. Our net assets increased from RMB1,809.1 million as of December 31, 2025 to RMB1,970.2 million as of June 30, 2026, primarily due to (i) profit for the period of RMB111.2 million, (ii) the acquisition of Yuanguang Electrical, which resulted in an increase in non-controlling interests of RMB59.9 million, and (iii) share-based compensation of RMB20.5 million, partially offset by dividends declared of RMB31.1 million. For details of the fluctuation in key items of our consolidated statements of financial position and net current assets during the Track Record Period, see "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position."

Summary of Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flows for the years or periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net cash flows generated from/(used in) operating activities	24,407	118,978	196,777	(103,871)	(158,660)
Net cash flows generated from/(used in) investing activities	89,437	(79,039)	147,073	102,254	(129,228)
Net cash flows (used in)/ generated from financing activities	(124,116)	11,653	(314,846)	(175,516)	102,930
Net (decrease)/increase in cash and cash equivalents	(10,272)	51,592	29,004	(177,133)	(184,958)
Cash and cash equivalents at the beginning of the year	378,235	367,426	419,018	419,018	448,022
Effect of foreign exchange rate changes, net	(537)	–	–	827	(300)
Cash and cash equivalents at the end of the years or periods	**367,426**	**419,018**	**448,022**	**242,712**	**262,764**

For the six months ended June 30, 2025 and 2026, we recorded net cash used in operating activities of RMB103.9 million and RMB158.7 million, respectively. See "Risk Factors — Risks Relating to Our Business and Industry — Our operating cash flows are subject to seasonal and period-to-period fluctuations, and we may record net cash used in operating activities in future periods."

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates/for the years or 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)]	20.8%	23.8%	22.1%	24.9%
Current ratio[(2)]	1.3	1.3	1.4	1.3
Adjusted net (loss)/ profit margin (non-IFRS measure)	(5.4%)	2.3%	3.7%	8.6%

Notes:

(1) Gross profit margin equals gross profit for the relevant years or periods divided by revenue for the relevant years or periods and multiplied by 100.0%.

(2) Current ratio equals total current assets divided by total current liabilities as of the same date.

RISK FACTORS

Our operations and the [**REDACTED**] involve certain risks and uncertainties which are set out in the section headed "Risk Factors" in this Document. You should read that section in its entirety carefully before you decide to [**REDACTED**] in the [**REDACTED**]. Some of the major risks we face include, but are not limited to: (i) our future growth and profitability could be materially and adversely affected by the market conditions and fluctuating demand for our products and solutions, and potential adverse development of the supply-demand dynamics in the industries may significantly affect the price of and market demand for our products and solutions; (ii) any failure to continually sharpen our technologies, develop and refine our products and solutions as well as expand our products and solutions portfolio could adversely affect our competitive position; (iii) we operate in increasingly competitive industries, and our business, financial condition and results of operations could be materially and adversely affected by local and global competitors in existing and new markets; (iv) we face risks of changing power equipment and energy storage industry policies; and (v) we may be subject to risks associated with robot-related technologies that are highly complex and may contain defects or otherwise fail to perform in line with expectations.

[**REDACTED**] FOR [**REDACTED**] ON THE STOCK EXCHANGE

We have [**REDACTED**] the [**REDACTED**] of Stock Exchange for the granting of the [**REDACTED**] of, and [**REDACTED**], our [**REDACTED**] to be issued pursuant to the [**REDACTED**] on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (i) our revenue of RMB3,015.1 million (equivalent to approximately HK$3,515.3 million) in the financial year ended December 31, 2025, which exceeds HK$500 million, and (ii) our expected [**REDACTED**] at the time of the [**REDACTED**], which, based on the low-end of the indicative [**REDACTED**] stated in this Document, exceeds HK$4 billion.

RECENT DEVELOPMENT

Based on our Directors' assessment and our actual operations, the recent conflict involving the United States and Iran and the resulting increase in global oil prices have not resulted in any material change to our transportation routes, logistics efficiency or shipping arrangements, and have not materially affected, and are not expected to materially affect, our operating costs, business operations or financial performance.

On July 30, 2026, our Board approved a proposed repurchase of the Company's A Shares through centralized bidding transactions for cancellation and reduction of our registered capital. The repurchase plan was subsequently approved by our Shareholders at a general meeting on August 24, 2026. Under the proposed repurchase plan, the aggregate consideration will be not less than RMB50.0 million and not more than RMB100.0 million, and the repurchase price will not exceed RMB18.09 per A Share. The proposed repurchase will be funded with our own funds, self-raised funds and a special share repurchase loan and will be implemented on an ongoing basis within 12 months after approval by our Shareholders. Our management does not expect the proposed repurchase to have a material adverse effect on our cash flows, business operations or financial condition. As of October 16, 2026, we completed our first share repurchase of 2,831,700 A Shares through centralized bidding transactions, representing 0.36% of our total share capital as of the same date, with a total transaction amount of RMB24,707,343 (excluding transaction fees).

Our Directors have confirmed that up to the date of this Document there has been no material adverse change in our financial or trading position or prospects since June 30, 2026, being the end date of the periods reported in the Accountants' Report in Appendix I to this Document, and there is no event since June 30, 2026 that would materially affect the information as set out in the Accountants' Report in Appendix I to this Document.

[**REDACTED**] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are newly [**REDACTED**] in the [**REDACTED**], (ii) the [**REDACTED**] for the [**REDACTED**] is not exercised and (iii) [**REDACTED**] Shares are [**REDACTED**] and outstanding following the completion of the [**REDACTED**]:

	Based on an [REDACTED] of [REDACTED] per H Share	**Based on an [REDACTED] of [REDACTED] per H Share**
[**REDACTED**] of our H Shares[(1)]	HK$[**REDACTED**] million	HK$[**REDACTED**] million
Market value of our A Shares[(2)]	HK$[**REDACTED**] million	HK$[**REDACTED**] million
Total market [**REDACTED**] of our Shares[(3)]	HK$[**REDACTED**] million	HK$[**REDACTED**] million
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share[(4)]	HK$[**REDACTED**] (RMB[**REDACTED**])	HK$[**REDACTED**] (RMB[**REDACTED**])

Notes:

(1) The calculation of [**REDACTED**] of our H Shares is based on [**REDACTED**] H Shares expected to be [**REDACTED**] immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] are not exercised).

(2) The calculation of market value of our A Shares is based on the average closing price of the A Shares of RMB[9.49] per A Share for the five business days immediately preceding the Latest Practicable Date and the total share capital of [782,221,234] A Shares as of the Latest Practicable Date. For illustrative purpose, the market value of our A Shares have been converted into HK$ with an exchange rate of RMB1 to HK$[1.1659].

(3) The total market [**REDACTED**] of the Company is based on [**REDACTED**] H Shares expected to be [**REDACTED**] immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] are not exercised) and the total share capital of [782,221,234] A Shares as of the Latest Practicable Date (representing an aggregate of [**REDACTED**] Shares). For details, see "Share Capital — Upon Completion of the [**REDACTED**]" in this Document.

(4) The unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to owners of our Company per Share is arrived at after the adjustments referred to in the section headed "Unaudited [**REDACTED**] Financial Information" in Appendix II to this Document and on the basis that [**REDACTED**] Shares (representing 778,281,234 Shares in issue as of June 30, 2026, adding [**REDACTED**]) were in issue, assuming that the [**REDACTED**] had been completed on June 30, 2026 but does not take into account of any Shares which may be allotted and [**REDACTED**] by our Company upon the exercise of the [**REDACTED**], any Shares which may be [**REDACTED**] by our Company upon the exercise of any options under the 2025 Share Incentive Scheme or any Shares which may be [**REDACTED**] by our Company.

USE OF [REDACTED]

Assuming an [**REDACTED**] of [**REDACTED**] per H Share (being the midpoint of the range of the [**REDACTED**] stated in this Document), we estimate that we will receive [**REDACTED**] of approximately [**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] commissions and other estimated expenses in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). We currently intend to [**REDACTED**] the [**REDACTED**] as follows:

- Approximately [**REDACTED**], or [**REDACTED**], will be allocated to consolidate technological advantages in our two business segments, and enhance AI empowerment to expand and deepen our adaptability to more application scenarios.

- Approximately [**REDACTED**], or [**REDACTED**], will be used to strengthen our sales network and expand our production capacity in Chinese Mainland and overseas. We intend to promote our layout in Chinese Mainland and overseas with focus and in phases and further improve supply chain capabilities and operational efficiency.

- Approximately [**REDACTED**], or [**REDACTED**], will be allocated to the R&D on advanced key equipment for the AI data center ("**AIDC**") scenario and application of equipment that integrates quantum technology with the power grid.

- Approximately [**REDACTED**], or [**REDACTED**], will be used for working capital and general corporate purposes.

For further information relating to our future plans and use of [**REDACTED**] from the [**REDACTED**], see "Future Plans and Use of [**REDACTED**]" in this Document.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since May 2011, the A Shares of our Company have been listed on the Shenzhen Stock Exchange (stock code: 300222.SZ). As of the Latest Practicable Date, our Directors confirmed that we had no instances of non-compliance with the rules of the Shenzhen 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 Shenzhen Stock Exchange. Our PRC Legal Advisor advised us that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties imposed by PRC securities regulatory authorities and we have complied with the relevant laws and regulations on A share listings applicable to us in all material respects. 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 our Directors' confirmation with regard to the compliance records of our Company on the Shenzhen Stock Exchange.

DIVIDENDS

No dividends had been paid or declared by us for the years ended December 31, 2023, 2024 and 2025, as the relevant conditions for distributing cash dividends stipulated in our Articles of Association were not satisfied. On March 17, 2026, we declared cash dividends of RMB31.1 million to our Shareholders in respect of the year ended December 31, 2025, which was fully paid out on April 21, 2026.

According to applicable laws in Chinese Mainland and the dividend policy stipulated in our Articles of Association, dividends may be distributed in cash, stock, or a combination of both. Whenever conditions permit cash dividends, it will be our preferred method of distribution. In the absence of major investment plans or significant cash expenditures, we shall distribute dividends in cash, with the amount distributed in cash being no less than 15% of the distributable profit for the year. We may also issue stock dividends while implementing the aforementioned cash dividend distribution. Currently, we do not have and do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the [**REDACTED**]. We should not declare or pay any dividends if there are accumulated losses according to our dividend policy.

Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our Shareholders at a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board of Directors. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**] will be approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million) (assuming an [**REDACTED**] of HK$[**REDACTED**] (being the [**REDACTED**] of the indicative [**REDACTED**]) and no exercise of the [**REDACTED**]), representing [**REDACTED**] of the [**REDACTED**] (based on the mid-point of our indicative [**REDACTED**] for the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) of the [**REDACTED**]. During the Track Record Period, we incurred [**REDACTED**] of RMB[**REDACTED**] million, which was recognized in the consolidated statements of comprehensive income as general and administrative expenses. We expect to incur [**REDACTED**] of approximately HK$[**REDACTED**] million, of which approximately HK$[**REDACTED**] million is expected to be recognized in the consolidated statements of comprehensive income as general and administrative expenses and approximately HK$[**REDACTED**] million is expected to be recognized as a deduction in equity directly upon the [**REDACTED**]. Our Directors do not expect the remaining [**REDACTED**] to have a material adverse impact on our results of operations in 2026. By nature, our [**REDACTED**] are composed of (i) [**REDACTED**] of approximately HK$[**REDACTED**] million and (ii) [**REDACTED**] related expenses of approximately HK$[**REDACTED**] million, which consist of fees and expenses of legal advisors and the Reporting Accountants of approximately HK$[**REDACTED**] million and other fees and expenses of approximately HK$[**REDACTED**] million.

In this Document, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this Document.

"2015 Share Incentive Scheme"	the share incentive scheme of our Company approved and adopted on June 1, 2015
"2016 Share Incentive Scheme"	the share incentive scheme of our Company approved and adopted on August 3, 2016
"2025 Share Incentive Scheme"	the share incentive scheme of our Company approved and adopted on July 7, 2025, a summary of the principal terms of which is set forth in the section headed "Statutory and General Information — Our Share Incentive Scheme — 2025 Share Incentive Scheme" in Appendix VII to this Document
"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.0 each, which are listed on the ChiNext of the Shenzhen Stock Exchange and traded in Renminbi
"Accountants' Report"	the Accountants' Report for our Company and its subsidiaries for the three years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the text of which is 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
"Articles" or "Articles of Association"	the articles of association of our Company, conditionally adopted on December 19, 2025 with effect from the [**REDACTED**], and as amended from time to time, a summary of which is set out in the section headed "Summary of the Articles of Association" in Appendix V to this Document
	[**REDACTED**]
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board" or "Board of Directors"	the board of directors of our Company

"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 "PRC"	the People's Republic of China and for the purposes of this Document only, except where the context requires otherwise, excluding Hong Kong, Macau Special Administrative Region of People's Republic of China and Taiwan Region
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"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
"Company", or "our Company"	CSG Smart Science & Technology Co., Ltd. (科大智能科技股份有限公司) (formerly known as Shanghai CSG Luneng Integration Technology Co., Ltd.* (上海中科大魯能集成科技有限公司)), a limited liability company incorporated in the PRC on November 27, 2002 and converted into a joint stock company with limited liability on February 9, 2010, the A Shares of which have been listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300222.SZ)
"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
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"CSG Automate"	CSG Automate Technology (Shanghai) Co., Ltd.* (上海冠致工業自動化有限公司), a limited liability company established in the PRC on November 7, 2012

"CSG Digital"	CSG Digital (Shanghai) Energy Technology Co., Ltd.* (科大數字(上海)能源科技有限公司), a limited liability company established in the PRC on June 22, 2022, and a wholly-owned subsidiary of our Company
"CSG Smart Electrical"	CSG Smart Electrical Technology Co., Ltd.* (科大智能電氣技術有限公司), a limited liability company established in the PRC on June 12, 2009, and a wholly-owned subsidiary of our Company
"CSG Smart Robot"	CSG Smart Robot Technology Co., Ltd.* (科大智能機器人技術有限公司), a limited liability company established in the PRC on December 10, 2009, and a wholly-owned subsidiary of our Company
"CSG Zhengxin"	Yantai CSG Zhengxin Electric Co., Ltd.* (煙台科大正信電氣有限公司), a limited liability company established in the PRC on December 17, 2012, and a wholly-owned subsidiary of our Company
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
	[**REDACTED**]
"Director(s)"	the director(s) of our Company
"Dr. Huang"	Dr. Huang Mingsong (黃明松), our executive Director, the chairman of our Board and our Single Largest Shareholder
"EIT"	the PRC enterprise income tax
"EIT Law"	Enterprise Income Tax Law of the PRC
"ESG"	environmental, social and governance
"Exeter Energy"	Exeter Energy Inc., a limited liability company established in the State of California, United States of America, on June 7, 2021
"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, which is an Independent Third Party
"Frost & Sullivan Report"	an independent market research report prepared by Frost & Sullivan
"Fusion THz"	Fusion THz Co., Ltd.* (安徽中科聚變太赫茲科技股份有限公司), a limited liability company established in the PRC on August 7, 2019

[**REDACTED**]

"Guide" or "Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
"Group", "our Group", "we", or "us"	our Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Hefei CSG Robot"	Hefei CSG Intelligent Robot Technology Co., Ltd.* (合肥科大智能機器人技術有限公司), a limited liability company established in the PRC on February 16, 2015, and a non-wholly-owned subsidiary of our Company
"Hefei Soongo"	Hefei Soongo Technology Corp., Ltd.* (合肥松果科技股份有限公司), formerly known as as CSG Intelligent (Hefei) Technology Co., Ltd.* (科大智能(合肥)科技有限公司), a limited liability company established in the PRC on January 7, 2013, and an associate of our Company
"Henan Songguo"	Henan Songguo Power Technology Partnership (Limited Partnership)* (河南松果電源技術合夥企業(有限合夥)), a limited liability partnership established in the PRC on September 11, 2023
"H Share(s)"	listed ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which are to be [**REDACTED**] for and [**REDACTED**] in HK dollars, and for which an [**REDACTED**] has been made for [**REDACTED**] and permission to [**REDACTED**] on the Stock Exchange

[**REDACTED**]

"Hongda Electric"	Jiangsu Hongda Electric Co., Ltd.* (江蘇宏達電氣有限公司), an associate of our Company
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

[**REDACTED**]

"Huaxiao Precision"	Huaxiao Precision (Suzhou) Co., Ltd.* (華曉精密工業(蘇州)有限公司) a limited liability company established in the PRC on January 21, 2003
"IFRS" or "IFRSs"	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

[**REDACTED**]

"Jianlong Zaitian"	Suzhou Jianlong Zaitian Enterprise Management Partnership (Limited Partnership)* (蘇州見龍在田企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on December 22, 2023

[**REDACTED**]

[**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"	October 12, 2026, being the latest practicable date for ascertaining certain information in this Document before its publication

[**REDACTED**]

"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 operates in parallel with GEM of the Stock Exchange
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

[**REDACTED**]

[**REDACTED**]

"Overseas Listing Trial Measures"	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》), which was promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023

[**REDACTED**]

"PRC Legal Advisor"	Hai Run Law Firm, our legal advisor as to PRC laws

[**REDACTED**]

"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reporting Accountant"	Rongcheng (Hong Kong) CPA Limited

"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	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"	State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"SFC"	the Securities and Futures Commission of Hong Kong
"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
"Shanghai Linghang"	Shanghai Linghang Yibai Robot Co., Ltd.* (上海領航依柏機器人有限公司), a limited liability company established in the PRC on January 19, 2023
"Shanghai Weiyu"	Shanghai Weiyu Automation Equipment Co., Ltd.* (上海維譽自動化設備有限公司), a limited liability company established in the PRC on July 11, 2012
"Shanghai Yingtong"	Shanghai Yingtong (YT) Electric Co., Ltd.* (上海英同電氣有限公司), a limited liability company established in the PRC on March 12, 2014, and a non-wholly-owned subsidiary of our Company
"Shanghai Yongqian"	Shanghai Yongqian M&E Co., Ltd.* (上海永乾機電有限公司), a limited liability company established in the PRC on January 20, 1999, and a wholly-owned subsidiary of our Company
"Share(s)"	ordinary share(s) of our Company with a nominal value of RMB1.0 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Shenzhen HW Automation"	Shenzhen HW Automation Equipment Co., Ltd.* (深圳市宏偉自動化設備有限公司), a limited liability company established in the PRC on August 14, 2006, and a non-wholly-owned subsidiary of our Company
"Silicon Zhun"	Silicon Zhun (Shanghai) Microelectronics Technology Co., Ltd.* (矽準(上海)微電子科技有限公司), a limited liability company established in the PRC on December 29, 2025
"Single Largest Shareholder"	Dr. Huang Mingsong
"SOE(s)"	state-owned enterprise(s)

[**REDACTED**]

"SSE Listing Rules"	Listing Rules of the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》)

[**REDACTED**]

"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules

[**REDACTED**]

"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 years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026

[**REDACTED**]

"United States" or the "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

[**REDACTED**]

[**REDACTED**]

"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"USTC"	University of Science and Technology of China (中國科學技術大學)
"VAT"	value-added tax

[**REDACTED**]

"Wuhan Yongqian"	Wuhan Yongqian Automation Co., Ltd.* (武漢永乾自動化有限公司), a limited liability company established in the PRC on July 19, 2017, and a wholly-owned subsidiary of our Company
"Yuanguang Electrical"	Zhejiang Jiangshan Yuanguang Electrical Co., Ltd.* (浙江江山源光電氣有限公司), a limited liability company established in the PRC on July 18, 2006, and a non-wholly-owned subsidiary of our Company
"%"	per cent

Unless otherwise specified or the context otherwise requires:

1. *all times refer to Hong Kong time;*

2. *references to years, months and days in this Document are to calendar years, calendar months and calendar days, respectively; and*

3. all data in this Document is as of the date of this Document.

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

Unless otherwise specified, certain amounts and percentage figures included in this Document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

In this Document, "" denotes translation of certain natural persons, legal persons, enterprises, governmental authorities, institutions, entities, organisations, departments, facilities, laws and regulations into Chinese or English (as the case maybe), etc., or another language included in this Document for identification purposes only. In the event of any inconsistency, the Chinese names or the names in their original languages prevail.*

GLOSSARY OF TECHNICAL TERMS

In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Company and our business shall have the meanings set out below. The terms and their meanings may not always correspond to the standard industry meaning or usage of these terms.

"AC"	alternating current, an electric current that periodically reverses direction and varies in magnitude over time
"AI"	artificial intelligence
"AIDC(s)"	AI data center(s), a specialized data center(s) designed to support artificial intelligence workloads
"AIoT"	artificial intelligence of things, which refers to the integration of AI technologies with IoT infrastructure to create intelligent systems. It uses IoT devices to generate and collect vast amounts of data, which AI algorithms then analyze to enable smart decision-making, automation, and predictive capabilities
"BMS"	battery management system, an electronic system that regulates and monitors the operation of battery during charge and discharge
"CAGR"	compound annual growth rate
"CBB"	common building blocks, a series of standardized, reusable components or services used in production or research to promote efficiency and interoperability. This approach allows organizations to avoid duplicating efforts by sharing pre-approved digital solutions like software modules or cloud services
"C&I"	commercial and industrial
"circuit breaker"	a switching device capable of making, carrying, and breaking current under normal circuit conditions and within a specified time under abnormal conditions
"CNAS"	China National Accreditation Service for Conformity Assessment
"CRKS intelligent operation and maintenance platform"	a platform that integrates core systems for robot motion control, multi-modal visual recognition, 3D modeling, and incorporates industry large models, station control platforms, ground control systems, and IoT auxiliary control modules
"DC"	direct current, an electric current that flows in one direction only, maintaining constant polarity and magnitude

GLOSSARY OF TECHNICAL TERMS

"DTU"	distribution terminal unit, installed at switching stations, distribution rooms, ring main units, or box-type substations in distribution feeder circuits. It supports remote signaling, telemetry, remote control, and feeder automation functions
"EMS"	energy management system, a combined system that monitors, controls, and optimizes energy use within a facility or network to improve efficiency, reduce costs, and minimize environmental impact
"ERP"	enterprise resource planning, a system that tracks inventory records through its integrated inventory management module. It maintains a centralized, up-to-date database of all stock levels, locations, and values by syncing data from sales, procurement, and warehouse operations
"FTU"	feeder terminal unit, a distribution automation terminal installed at pole-mounted switches in distribution feeder circuits. It supports remote signaling, telemetry, remote control, and feeder automation functions
"Generation-Grid-Load-Storage"	an integrated energy system framework encompassing power generation sources, transmission and distribution grids, end-user loads and energy storage facilities
"HVDC"	high-voltage direct current, a power supply architecture in AIDC power supply that delivers electricity at high direct-current voltage levels directly to data center equipment, minimizing intermediate AC conversions and thereby improving efficiency, reliability, and power density
"integrated primary-secondary circuit breakers"	circuit breakers integrating primary switching functions with secondary protection and control functions
"intelligent microgrid management system"	localized energy system integrating distributed energy resources, loads and control systems
"IoT"	internet of things
"IPD"	integrated product development, a methodology that brings together cross-functional teams from the earliest stages of product design. This approach emphasizes parallel development processes and early involvement of all stakeholders to ensure that all requirements and constraints are considered simultaneously
"MES"	manufacturing execution system
"new electricity system"	an advanced power grid designed to integrate a high proportion of renewable energy sources, such as solar and wind, to achieve clean and low-carbon energy transition goals. It is characterized by a fundamental shift from a traditional, centralized "Generation-follows-load" model to a more flexible and intelligent structure that emphasizes coordination within Generation-Grid-Load-Storage, as well as interaction between supply and demand

GLOSSARY OF TECHNICAL TERMS

"PCB"	printed circuit boards, a type of electronic component with wiring inside or on the surface of a board-shaped insulator
"PCBA"	printed circuit boards assembly
"PCS"	power conversion system, a core component in energy storage systems that acts as a bidirectional electrical interface between a battery (which uses DC) and the power grid or electrical loads (which use AC). Its primary function is to convert AC to DC when charging the battery and DC to AC when discharging it, while managing power flow, performing grid support functions, and operating in different modes such as grid-tied or off-grid
"Power Equipment and Energy Storage"	our business segment principally comprising the research and development, production and sale of power distribution and consumption products and energy storage systems, and the provision of related solutions
"PV"	photovoltaic, the technology that converts sunlight directly into electricity using semiconductor materials, commonly used in solar panels and solar power systems
"QR Code"	quick response code, a machine-readable optical label containing information about the item to which it is attached
"R&D"	research and development
"RFID"	radio-frequency identification, a wireless technology that uses radio waves to automatically identify and track objects through special tags attached to them
"ring main unit"	a general term for switchgear installed on distribution lines to realize ring network distribution. A "ring network" refers to a looped power distribution network where the main supply line forms a closed loop, improving power supply reliability. Also known as ring main box or outdoor switch box, it is installed outdoors, composed of multiple ring main units enclosed in a protective shell, used for cable lines for ring-in, ring-out, and load branching
"Robots"	our business segment principally comprising the research and development, production and sale of industrial manipulators, stackers and inspection robots, and the provision of related software products and solutions
"SLAM"	simultaneous localization and mapping, a computational technique used by robots to build a map of an environment while simultaneously determining their location within it, which is essential for navigation
"SST"	solid state transformer, a type of power transformation device combining power electronics conversion technology with high-frequency transformers, aimed at replacing the large, less efficient and single-functional conventional transformers in modern power systems

GLOSSARY OF TECHNICAL TERMS

"SRM stacker"	storage and retrieval machine stacker
"UPS"	uninterruptible power supply, an electrical device that provides emergency backup power to connected equipment when the main electrical power source fails
"transformer"	electrical equipment that uses electromagnetic induction to transfer electrical energy between circuits and change voltage levels, primarily used in power generation, transmission and distribution systems and at customer premises, including main transformers and distribution transformers

FORWARD-LOOKING STATEMENTS

Certain statements in this Document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will," "expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection," "forecast," "could," "vision," "goals," "objective," "target," "schedule," "predict," "project," "aim," "intend," "consider," "would," "continue" and "outlook") are not historical facts, but are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this Document), uncertainties and other factors some of which are beyond our control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- general political, market and economic conditions;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business;
- our planned projects and goals;
- our ability to control or reduce costs;
- our ability to control our risks;
- our ability to maintain good relationships with business partners;
- our business prospects and expansion plans;
- our ability to successfully implement our business plans and strategies;
- our financial condition and performance, debt levels and capital needs;
- our dividend policy;
- our capital expenditure plans;
- various business opportunities that we may pursue;
- the actions and developments of our competitors;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate; and
- all other risks and uncertainties described in the section headed "Risk Factors" in this Document.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution [**REDACTED**] against placing undue reliance on any such forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this Document. Any such intentions may change in light of future developments. All forward-looking statements in this Document are expressly qualified by reference to this cautionary statement.

An [**REDACTED**] *in our H Shares involves a high degree of risk. You should carefully consider the following information about risks, together with the other information contained in this Document, including our consolidated financial statements and related notes, before you decide to buy our H Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial condition and prospects would likely suffer. In any such case, the* [**REDACTED**] *of our H Shares could decline and you may lose all or part of your* [**REDACTED**]. *This Document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our future growth and profitability could be materially and adversely affected by the market conditions and fluctuating demand for our products and solutions, and potential adverse development of the supply-demand dynamics in the industries may significantly affect the price of and market demand for our products and solutions.

We mainly operate in the power equipment and energy storage industry, and our future growth and profitability could be affected by the general market conditions and the fluctuating demand for our products and solutions, in particular our core products and solutions, such as integrated primary-secondary circuit breakers and ring main units. For the years ended December 31, 2023, 2024 and 2025, our revenue from Power Equipment and Energy Storage segment amounted to RMB2,000.7 million, RMB2,101.2 million, and RMB2,314.3 million, representing approximately 66.1%, 78.2%, and 76.8% of our revenue, respectively. For the six months ended June 30, 2025 and 2026, our revenue from the Power Equipment and Energy Storage segment amounted to RMB979.4 million and RMB1,150.9 million, respectively, representing approximately 74.0% and 75.5% of our revenue for the respective periods. We also operate in the robot industry with our core products and solutions being our industrial manipulators, stackers, and inspection robots. For the years ended December 31, 2023, 2024 and 2025, our revenue from Robots segment amounted to RMB1,023.9 million, RMB585.6 million, and RMB700.8 million, representing approximately 33.9%, 21.8%, and 23.2% of our revenue, respectively. For the six months ended June 30, 2025 and 2026, our revenue from the Robots segment amounted to RMB343.7 million and RMB372.9 million, respectively, representing approximately 26.0% and 24.5% of our revenue for the respective periods. Demand for our products and solutions typically hinges on the level of general economic activity and the market conditions of the industries, which are subject to a number of factors beyond our control, including changes in the PRC's investment in power grid, changes in the macroeconomic condition of China, changes in the competitive landscape of the industries in which we operate, government regulations and changes in supply and demand for our products and solutions, among others.

According to Frost & Sullivan, power grid investment in the Chinese Mainland is expected to maintain an upward trend during the "15th Five-Year Plan" period. In terms of investment structure, the focus of power grid investment in the Chinese Mainland is also expected to gradually shift from the transmission side to the distribution side, and distribution network investment is expected to become a mid- to long-term theme. Given that our core products are primarily applied in distribution network and distribution automation-related scenarios, the above trend of power grid investment structure shifting towards the distribution side is expected to benefit the market demand for our core products. Specifically, our Power Equipment and Energy Storage business mainly includes power distribution and consumption products and solutions, energy storage systems, and other related products and solutions, which are closely related to power grid investment in the Chinese Mainland. Accordingly, changes in the scale, pace and structure of power grid investment in the Chinese Mainland may directly affect the market demand, tender opportunities, order acquisition, project delivery and revenue recognition of the our relevant products and solutions.

However, the actual implementation progress, annual investment arrangements and specific investment directions of the relevant investment plans are beyond our control. If the scale of power grid investment in the Chinese Mainland is lower than expected, relevant investment projects are delayed, or the investment structure of power grids does not shift towards distribution networks, distribution automation and intelligent upgrades as expected, the market demand, tender opportunities and order size for our grid-related core products and relevant solutions may decrease or be delayed. Further, our future growth and profitability could be affected by our ability to identify and anticipate the needs of our customers and develop products and solutions that meet their demands. If we are unable to accurately anticipate customer demands for our products or solutions and adopt appropriate business strategies accordingly, our business, financial condition and results of operations could be materially and adversely affected.

Any failure to continually sharpen our technologies, develop and refine our products and solutions as well as expand our products and solutions portfolio could adversely affect our competitive position.

The industries in which we operate are characterized by constant technology evolvements and products and solutions innovations. Our competitive position therefore depends largely on our ability to continually sharpen our technology, develop and refine our products and solutions as well as expand our products and solutions portfolio. While we endeavor to continue to invest in technology development and products and solutions innovation, such efforts require significant financial and management resources, and we may not have sufficient resources to do so. Further, our upstream industries such as non-ferrous metals, electronic materials and insulating materials are characterized by evolving technologies and standards. To the extent that we are not able to keep abreast of the technology development or enhance the functionality, performance and reliability of our products and solutions in a manner that responds to our customers' evolving needs, we may lose customers and market share, and our competitive position and business prospects could be materially and adversely affected.

In addition, we will continue to expand our products and solutions offerings to meet the diversified customer needs from downstream sectors of our industries. Such products and solutions portfolio expansion involves a variety of risks and uncertainties in relation to (i) market acceptance, as new products and solutions may not be well received in the target market, resulting in lower-than-expected sales and revenue that may adversely affect our financial condition; (ii) competition, as our competitors may introduce similar products and solutions, offer more competitive prices, deliver faster technical adjustments, and faster response times for services, leading to intensified competition that makes it difficult for us to gain a foothold in the market; (iii) production and supply chain, as there may be issues with production or supply chain that may impact the availability of our new products and solutions; and (iv) market share, as the pace at which we launch new products and solutions may not match the speed of technological innovation. Failure to effectively manage these risks may lead to material adverse effect on our business, financial condition and results of operations.

We operate in increasingly competitive industries, and our business, financial condition and results of operations could be materially and adversely affected by local and global competitors in existing and new markets.

The power equipment and energy storage and robot industries in which we operate are increasingly competitive. See "Industry Overview" for details. We mainly compete with domestic power equipment and energy storage companies that focus on developing, producing and commercializing circuit breakers, ring main units or other smart power distribution and consumption grid equipment, and industrial robotics manufacturers. While we continue to expand our business, some of our competitors are also rapidly expanding their business operations and production capacity. We have established competitive advantages in scale, technology and brand reputation. However, as we expand our sales network, we may face intensified competition from existing local and global competitors who may have longer corporate operating history in certain markets, more financial resources, better operation and management capabilities, more sophisticated technological capabilities, broader customer base or stronger customer relationships than us. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or user demand than us.

We also face competition from new entrants who may be able to offer lower prices or new technologies and products, and thus further intensify the level of competition in the future. Increased competition from both incumbents and new entrants could result in over-supply of products, lower prices, reduced profit margins or loss of market share. In addition, as competition intensifies, we may need to make substantial additional investments in R&D, production, sales and marketing and recruitment of talents to counter such competitive threats. We cannot assure you that such measures will be effective. If we are unable to compete successfully, our business, financial condition and results of operations may be materially and adversely affected.

We face risks of changing power equipment and energy storage industry policies.

To address global climate change challenges, countries and regions worldwide are increasingly emphasizing green and low-carbon, and sustainable development, and implementing supportive policies for green and low-carbon development and energy transition.

According to Frost & Sullivan, in Chinese Mainland, national policies explicitly promote the integration of generation, grid, load and storage, direct renewable-energy consumption and the advancement of smart microgrids, gradually incorporating renewable-energy consumption, system security and market-based transactions into a unified regulatory framework. As the ″dual-carbon″ targets progress, policies continue to strengthen the construction of renewable-friendly power systems, requiring grids to accommodate higher levels of renewable generation and enhanced flexibility. At the same time, policies encourage new business models such as virtual power plants and microgrids to enter market-oriented pilot programs, creating institutional conditions for storage systems, electric-vehicle charging and other new types of loads to participate in dispatching and market transactions.

These policies, among other factors, drive the development and growth in the power equipment and energy storage industry. However, the duration and level of support provided by such policies are beyond our control, and we make no assurance on the continuity of these favorable policies. The uncertainties and changes in level of support of such policies may affect our operations.

We may be subject to risks associated with robot-related technologies that are highly complex and may contain defects or otherwise fail to perform in line with expectations.

The technologies underlying our Robots business are inherently complex and may contain material defects or errors. There can be no assurance that our existing robot products and solutions will not contain defects or errors. Any real or perceived errors, failures, vulnerabilities, or bugs in our robots could result in negative publicity or lead to performance issues, all of which could harm our business. It may be costly and time-consuming in correcting such defects or errors. Moreover, the harm to our reputation and legal liability related to such real or perceived defects or errors may be substantial and would harm our business.

Some errors or defects in our robots may only be discovered after they have been tested, commercialized and deployed by customers, in which case we may incur significant additional development costs and product recall, repair, replacement costs or compensation. To the extent accidents associated with our robots occur, we could be subject to liability, claims, government scrutiny and further regulation. Our reputation or brand may be damaged as a result of these problems, and customers may be reluctant to buy our robots, which could adversely affect our ability to retain existing customers and attract new end customers and could adversely affect our financial results. Although we attempt to remedy any issues we observe in our robot as effectively and rapidly as possible, such efforts may not be timely, may hamper production or may not be to the satisfaction of our customers. Furthermore, accidents or defects caused by third parties' robot products may negatively affect public perception, or result in regulatory restrictions, with respect to robot-related technologies.

Furthermore, any defects in or significant malfunctioning of our robot products and solutions may weaken customer confidence in our robots. As the markets for robot products and solutions are emerging and evolving, loss of customer confidence in our Robots business could have a material adverse impact on the future of such markets in general and our business prospects in particular.

In addition, the success of our Robots business depends on our successful development of algorithms, and processing efficiencies of our processing hardware, and there is no assurance that we can effectively develop our algorithms or improve efficiencies of our processing hardware to maintain our competitiveness. Failure to deliver constant algorithm innovation may adversely affect our business, financial condition and results of operations. In addition, the performance level of advanced and sophisticated algorithms is often limited by processing efficiencies, capacity and power efficiency of the processing hardware that runs the algorithms. As such, our business and financial conditions depend on our ability to effectively improve the processing efficiencies and capacity of our processing hardware to meet the future development of our algorithms for robot products and solutions.

We have been and intend to continue investing on our R&D and such investments may not generate the results we expect to achieve.

We have been investing on our R&D efforts. Our cumulative total research and development expenses during the Track Record Period amounted to RMB740.3 million. The industries we operate in are subject to rapid technological changes and are evolving quickly in terms of technological development. We need to invest significant resources, including financial resources, in R&D to make technological advances in order to make our products and solutions competitive in the market. As a result, our R&D capabilities will remain important to our business operations. However, R&D activities are inherently uncertain, and we might encounter practical difficulties in developing, conceptualizing and commercializing our R&D results. Our significant expenditures on R&D may not generate corresponding benefits. Given the fast pace of which the technologies of our industry have been and will continue to be developed, we may not be able to develop or upgrade our technologies in a timely and cost-effective manner, or at all. New technologies in our industries could render our existing or future technologies obsolete or unattractive, thereby limiting our ability to recover related R&D costs, which could result in a decline in our revenues, profitability and market share.

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

In 2023, our net loss was RMB170.7 million. See "Financial Information — Results of Operations — Comparisons Between 2024 and 2023" for more details. We may continue to incur net loss in the future, as we are in the stage of expanding our business and operations in the rapidly growing market and are continuously investing in R&D. We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective commercialization strategies, compete effectively and successfully develop new products and services. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. We also expect our costs and expenses to increase in future periods as we continue to expand our business and operations and invest in research and development. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve or subsequently maintain profitability.

We are exposed to credit risks related to our trade and notes receivables, and prepayments, other receivables and other assets.

We face credit risks attributable to our trade and notes receivables and prepayment and other receivables, due from our customers for goods sold or other services performed in the ordinary course of our business. Our trade and notes receivables as of December 31, 2023, 2024 and 2025

and June 30, 2026 amounted to RMB1,776.4 million, RMB1,597.4 million, RMB1,575.1 million and RMB1,757.0 million, respectively. In 2023, 2024 and 2025 and the six months ended June 30, 2026, our average trade and notes receivable turnover days were 210 days, 229 days, 192 days and 198 days, respectively. Additionally, our prepayments, other receivables and other assets as of December 31, 2023, 2024 and 2025 and June 30, 2026, amounted to RMB248.8 million, RMB184.2 million, RMB177.1 million and RMB228.7 million, respectively. Our impairment losses on trade and notes receivables, and other receivables for the years ended December 31, 2023, 2024 and 2025 were RMB4.1 million, RMB16.9 million and RMB1.1 million, respectively and net reversals of impairment losses of RMB7.0 million and RMB6.5 million for the six months ended June 30, 2025 and 2026, respectively. The fluctuation and extension of trade and notes receivable turnover may have a material and adverse effect on our cash flow and liquidity position. See "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position — Trade and Notes Receivables" for details. We have dedicated personnel responsible for trade receivables, as well as prepayments, other receivables and other assets. As there is limited financial or public information on many of our counterparties, we cannot assure you that all of our counterparties are creditworthy and reputable and will not default on us in the future, despite our efforts to conduct credit assessments on them. As a result, we are exposed to risks that our counterparties may fail to fulfill their obligations to us under our contracts.

We experienced customer concentration during the Track Record Period and may continue to be exposed to the risk of such concentration in the future.

In 2023, 2024 and 2025 and the six months ended June 30, 2026, revenue from our five largest customers in each year amounted to RMB1,238.1 million, RMB1,191.9 million, RMB1,471.6 million and RMB711.0 million, which accounted for 40.9%, 44.4%, 48.8% and 46.7%, respectively, of our revenue in the respective years or periods. Revenue generated from our single largest customer for each year or period during the Track Record Period accounted for 23.5%, 32.3%, 34.2% and 34.5%, respectively, of our revenue during the respective years or periods. For details, see "Business — Our Customers." There exists a risk that any loss of sales from our current customers could adversely affect our revenue. In the future, these customers may decide to purchase fewer products and solutions than they did in the past, not to incorporate our products and solutions into their business, delay their purchases of our products and solutions, purchase products and solutions from our competitors, or alter their purchasing patterns in some other way, particularly because: (i) our customers may cancel, change or delay products and solutions purchase with us; (ii) our customers cannot guarantee their volume of purchase if total investment in the PRC's power sector declines; (iii) although the business of our products and solutions bears high barriers to entry, some of our customers may develop their own alternatives; (iv) our customers may purchase solutions from our competitors, particularly if there are delays or shortages in our supply chain or of our solutions; and (v) our customers may discontinue sales or lose market share in the markets for which they purchase our solutions.

The occurrence of any of the foregoing factors may adversely affect our business, results of operations, and financial condition. Some of our customers are large SOEs and automotive manufacturers with substantial negotiating power relative to us. These large SOEs and automotive manufacturers also have significant development resources, which may allow them to acquire or develop competitive technologies independently, or in partnership with others. Meeting the technical requirements of any of these companies and being selected by them for supplying products and solutions will require a substantial investment of our time and resources. We cannot assure you that our products and solutions will be selected by these or other companies or that we will generate meaningful revenue from the sales of our solutions to these key potential customers. If our products and solutions are not selected by these large SOEs and automotive manufacturers or if these SOEs and automotive manufacturers develop or acquire competitive technologies, our business, financial condition and results of operations could be adversely affected. Our business could also be adversely affected if our customers are not able to settle accounts regularly or make payments on schedule. Any loss or fluctuation in their business may adversely affect our results of operations and financial condition.

If we fail to maintain existing customers and attract new customers, or fail to do so in a cost-effective manner, our business may be adversely affected.

Our success depends, in part, on our ability to cost-effectively attract new customers, retain our existing customers and encourage these customers to continue to use our products and solutions. We spend on advertising, promotion, industry conference and other marketing activities to acquire new end customers, and we expect our sales and marketing expenses to increase in the future in absolute amount as we continue to implement strategies to increase awareness of our brand and our products and solutions.

While we seek to structure our marketing activities in the manner that we believe is most likely to encourage customers to purchase our products and solutions, we may fail to identify opportunities that satisfy our anticipated return on sales and marketing expenses as we scale our investments or to fully understand or estimate the conditions and factors that drive customer behavior. If any of our marketing activities prove less successful than anticipated in retaining existing customers or attracting new customers, we may not be able to recover such expenses and our sales results may fail to meet our expectations, either of which could have an adverse effect on our business, financial condition and results of operations. There can be no assurance that our marketing efforts will result in increased sales of our products and solutions. If we are unable to retain existing customers or attract new customers, or fail to do so in a cost-effective manner, our growth could be slower than we expect, and our business, financial condition and results of operations may be harmed.

If we fail to recruit, retain and motivate highly skilled personnel, or maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus that contribute to our business.

Much of our future success depends on the continued contributions of key employees, including senior management, engineers, R&D personnel, product designers, finance and legal personnel and support service professionals, many of whom are difficult to replace. From time to time, if there are changes in our senior management team resulting from the hiring or departure of executives, the normal course of our business might be disrupted. The loss of the services of any of our executive officers, our senior management team and other highly skilled employees could harm our business.

We intend to hire additional qualified employees to support our business operations and planned expansion. Competition for qualified talent is intense. We compete with many other companies for engineers and R&D professionals with meaningful experience in designing and developing solutions, as well as for skilled marketing, operations and support service professionals, and we may not be successful in attracting and retaining the professionals we need. If we are not able to effectively hire, train and retain employees, our ability to achieve our strategic objectives may be adversely impacted and our business, financial condition and results of operations may be harmed. Since our industry is characterized by high demand and intense competition for talent and labor, we can provide no assurance that we will be able to attract or retain qualified staff or other highly skilled employees that we will need to achieve our strategic objectives. Labor costs have increased with the economic development of developing countries and labor shortage and inflation around the world. In addition, our ability to train and integrate new employees into our operations may also be limited and may not meet the demand for our business growth in a timely fashion, or at all, and rapid expansion may impair our ability to maintain our corporate culture.

The interruption of requisite services from suppliers may expose us to supply chain risk that could harm our business.

Delays and other problems experienced by our suppliers could negatively affect our business operations. The stability of operations and business strategies of our suppliers are beyond our control, and we cannot assure you that we will be able to secure a stable relationship with such suppliers. Finding and qualifying alternate or additional suppliers and vendors is often a lengthy process and can lead to production delays, interruptions to our services, or additional costs, and such alternatives are sometimes not available at all. The inability of suppliers or vendors to deliver necessary production materials, equipment, or services can disrupt our provision of required solutions and make it more difficult for us to implement our business strategy.

As our business grows, we must continue to scale and adapt our supply chain or it could have an adverse impact on our business. Therefore, we face several significant risks which could have an adverse effect on our ability to meet customer demand, scale our supply chain and/or negatively impact our business operations and/or financial results, including: (i) any accidents and natural disasters faced by our suppliers at their facilities; (ii) bankruptcy or challenges of financial solvency faced by our suppliers; (iii) a failure by our suppliers to procure raw materials or to provide or allocate adequate, or any, manufacturing or test capacity for our processing hardware; (iv) a failure by our suppliers to develop, obtain or successfully implement technologies; (v) a lack of direct control over delivery schedules or quantity and quality of our processing hardware; and (vi) delays in processing hardware and materials shipments, shortages, a decrease in processing hardware quality and/or higher expenses in the event our partners prioritize our competitors' orders over our orders or otherwise.

Moreover, we face uncertainty in the continuation of these relationships if our suppliers ever choose to not partner with us and instead form collaborations with our competitors. The foregoing possibilities could reduce our ability to successfully execute our business strategy and create competitive, appealing and user-friendly products and solutions for our customers. It may be necessary in the future to renegotiate agreements relating to various aspects of these collaborations or business partnerships. The uncertainty of our business relations and the possibility of competitive conditions leading to unfavorable outcomes may have a material adverse impact on our business operations, results of operations, and financial condition.

Although we strive to diversify our supplier network and localize our overall supply chain, finding alternate or additional suppliers is often a lengthy process and can lead to production delays, interruptions to our services, or additional costs, and such alternatives are sometimes not available at all. The inability of suppliers to deliver necessary production materials, equipment, or services can disrupt the production processes of our orders and make it more difficult for us to implement our business strategy. Our suppliers may periodically extend lead times, face capacity constraints, limit supplies, increase prices, experience quality issues, or encounter cybersecurity or other issues that can interrupt or increase the cost of our supply and services. Production of our orders can be disrupted by the unavailability of resources. The unavailability or reduced availability of materials or resources would require us to reduce production or incur additional costs, which would harm our business, results of operations and financial condition.

Moreover, given that we do not directly control the procurement or employment practices of such suppliers and vendors, we could be subject to financial or reputational risks as a result of our suppliers' and vendors' conduct. To the extent we are unable to manage these risks, our ability to timely supply competitive solutions will be harmed, our costs will increase, and our business, results of operations and financial condition would be adversely affected.

Our future success is attributable to our ability to maintain optimal utilization of our production bases and to expand our production capacity in a cost-effective manner, which are subject to risks and uncertainties.

We are primarily engaged in the R&D and production of products and solutions in Power Equipment and Energy Storage and Robots segments. We had production bases in Hefei, Anhui Province, Shanghai, Shenzhen, Guangdong Province and Jiangshan, Zhejiang Province, as of the Latest Practicable Date. See "Business — Production and Manufacturing — Our Production Bases." Our continued success is attributable to our ability to manufacture products in a cost-effective manner, which in turn depends on our ability to accurately forecast customer demand and maintain optimal utilization of our production bases, as well as to effectively expand our production capacity to achieve economies of scale and enhance production efficiency. Our ability in optimizing our production capacity, however, is subject to risks and uncertainties which are beyond our control, including fluctuations in market demand for our products, rise in cost of establishment of production plants, and delays in construction schedule. Failure in mitigating such risks may incur additional production costs and lead to an increase in our operation costs. In addition, our expansion in production capacity requires substantial capital investments and time costs, which may affect our liquidity and hinder our ability to deliver products in a timely manner.

Unexpected equipment failures or accidents may lead to production curtailments or shutdowns, property damage or personal injuries.

Our products are manufactured through sophisticated production processes under tightly controlled environment. See "Business — Production and Manufacturing — Production and Manufacturing Processes." Due to the nature of production activities, our production operations may be subject to risks such as capacity constraints, equipment and systems failures, and delays in the construction and upgrade of facilities. The occurrence of any of these events would lead to production curtailments or shutdowns, resulting in delays in product delivery and thus customer dissatisfaction. Any inappropriate handling or storage may lead to accidents that may cause property damage or personal injuries. Any such incident could subject us to adverse publicity, reputational damage or monetary compensation, thereby materially and adversely affecting our normal operations and business prospects. We prioritize the safety of our employees and have implemented a comprehensive safe production policy that ensures a safe working environment at all levels. See "Business — Environmental, Social and Governance — Social Responsibility." Despite the precautions we put in place, we cannot assure you that such accidents will not happen. The occurrence of any of these risks may disrupt our production activities, harm our business operations and cause material and adverse effect on our financial condition and results of operations.

We have experienced and may continue to experience period-to-period fluctuations in our results of operations.

We have experienced and may continue to experience period-to-period fluctuations in our results of operations primarily due to the fact that the majority of our revenue was recognized upon the delivery of our products and the acceptance by our customers. Historically, more revenue was recognized in the second half of a given year as compared to the first half because we deliver more products during the second half of the year. In addition, we cannot guarantee against any delay in completion of inspection and acceptance by our customers. Any slight delays in the customer acceptance of our products may cause substantial changes in proportion of revenue recognized over different quarters of the year or even different years. As a result of such fluctuations in our revenue recognition from period to period, comparisons of revenue and our operating results between different periods within a single financial year are not necessarily meaningful, nor can these comparisons be relied upon in assessing or predicting our future financial performance in a particular year or period.

Our operating cash flows are subject to seasonal and period-to-period fluctuations, and we may record net cash used in operating activities in future periods.

For the six months ended June 30, 2025 and 2026, we recorded net cash used in operating activities of RMB103.9 million and RMB158.7 million, respectively. Our operating cash flows may fluctuate significantly from period to period, primarily due to the timing of product and project delivery, customer acceptance and payment, and the resulting movements in working capital. Our business exhibits a degree of seasonality, as deliveries, customer acceptance and collection for our Power Equipment and Energy Storage products and solutions tend to be concentrated in the second half of the year, particularly the fourth quarter, while related procurement and other operating expenditures are incurred throughout the year. As a result, we may incur operating cash outflows in the first half of a year before collecting the corresponding payments from customers in the second half of the year.

There can be no assurance that we will generate positive operating cash flows in future periods. If seasonal or other fluctuations result in prolonged or recurring net operating cash outflows, our available cash resources may be insufficient to satisfy our working capital requirements, fund our business expansion or discharge our obligations as they fall due. We may therefore need to obtain additional financing, which could increase our financing costs and may not be available on commercially acceptable terms, or at all. As a result, our liquidity, financial condition and prospects may be materially and adversely affected.

Our gross profit margin is subject to fluctuations due to factors such as pricing pressure, fluctuations in raw material and other costs, changes in revenue mix and market position.

In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our gross profit margin was 20.8%, 23.8%, 22.1%, 24.0% and 24.9%, respectively. The fluctuations in gross profit margins during the Track Record Period were primarily due to changes in product mix, pricing pressure and fluctuations in raw materials costs.

In addition, changes in our revenue mix may also affect our financial performance, particularly our profitability. Our gross profit margins could vary across products and solutions, projects and customers, as we generally deliver different products and solutions based on the demands of specific customers, which have different cost structures and selling prices. As such, changes in volume, projects, cost structures and development cycles of products that we offer could impact our overall profitability. Our gross profit margin also depends on our market position, the competitive landscape and relative bargaining power in the subsector that we operate in. We cannot assure you that we will be able to maintain our gross profit margin at levels similar to those achieved during the Track Record Period, in particular as we consider the evolvement of revenue mix, customer base and raw material costs.

We expect to incur additional capital expenditures for our business operations and expansion plans, which may adversely affect our short-term cash flow, liquidity and profitability.

We expect to incur capital expenditures for investing in our production plants to expand our offerings and upgrade our production technologies. See "Financial Information — Capital Expenditures." In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our capital expenditures amounted to RMB50.6 million, RMB42.2 million, RMB21.9 million, RMB7.7 million and RMB62.6 million, respectively. Since 2026, we have commenced the construction of an industrial base in Hefei, Anhui, with a construction period of five years and an investment amount no more than RMB350.0 million. Upon completion, this production base is expected to be used for R&D and manufacturing of our products under our Power Equipment and Energy Storage. In addition, following our acquisition of Yuanguang Electrical in May 2026, Yuanguang Electrical has continued the construction of an expansion project at its production base in Jiangshan, Zhejiang Province, which is expected to be primarily used for the manufacture of power transformers with a planned construction period of two years. Inherent risk exists for such significant capital expenditures as our investments may not succeed or generate the benefits that we expect, which could materially affect our profitability.

Even if we achieve our goals for such investments, our short-term cash flow and liquidity may be adversely affected. While we intend to explore alternative arrangements to reduce the capital intensity of any future expansion, there is no assurance this will be successful. The markets for certain of our offerings remain relatively new, and it is uncertain whether our efforts, and related investments, will result in adequate financial returns for us. Further, our introduction of technological changes and upgrades, as well as new products and services, may not be successful. Any early-stage investments and development of such new products and solutions may not result in long-term success or financial returns for us.

We may not be able to fulfill our obligations in respect of contract liabilities, which may have a material and adverse impact on our business, reputation, and liquidity position.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we recorded contract liabilities of RMB699.4 million, RMB541.8 million, RMB505.3 million and RMB468.9 million, respectively. These amounts reflect customer prepayments, which are generally made in advance of the full delivery of our products and solutions. There is no assurance that we will be able to fulfill our obligations in respect of contract liabilities as the fulfillment of our performance obligations is subject to various factors, including the market demand, the stability of supply and price of raw materials, the quality and price of service provided by, and the production capacity of our suppliers. Failure to meet our obligations related to these contract liabilities could have significant adverse impact on our business, operations, financial position and reputation. If we fail to deliver solutions on time or meet customer expectations, it may result in the inability to recognize the expected revenue, which could significantly impact our financial performance. A failure to deliver solutions on time, or to meet customer expectations, could also lead to claims for refunds, penalties, or the termination of contracts, which could in turn materially and adversely impact our business, reputation, and liquidity position.

We are exposed to changes in the fair value of our financial assets at fair value through profit or loss.

Our results of operations are affected by changes in the fair value of our financial assets at fair value through profit or loss. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our financial assets measured at fair value through profit or loss were RMB210.5 million, RMB332.4 million, RMB207.8 million and RMB149.0 million, respectively. During the Track Record Period, our financial assets primarily comprise of wealth management products with Level 3 valuation. The fair value measurement of our relevant investments involves the exercise of professional judgment and the use of certain bases, assumptions and observable or unobservable inputs, which, by their nature, could be uncertain. Factors beyond our control, such as general economic conditions, changes in market interest rates, and the stability of capital markets, can significantly influence and cause adverse changes to these market-observable data, thereby affecting the fair value of such financial assets. Any of these factors could cause our estimates to vary from actual results, materially and adversely affecting our results of operations and financial condition.

Confidentiality agreements and non-compete covenants with employees and other third parties may not adequately prevent the disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology and know-how. Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses with our employees, we cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. Similarly, if we recruit employees who breached confidentiality, non-compete covenants with their prior employers, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information in violation of their confidentiality, non-compete covenants in a way that benefits us. In addition, others may independently discover trade secrets and proprietary information, limiting our ability to assert any proprietary rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

Share-based compensation may have a material and adverse effect on our financial condition.

To recognize the contributions of our employees and consultants and incentivize them to further promote our development, our Company and some subsidiaries adopted certain employee incentive plans including the 2025 Share Incentive Scheme during the Track Record Period and as a result, we recorded share-based payment expenses of RMB7.1 million, RMB1.1 million, and RMB25.8 million in 2023, 2024 and 2025, and nil and RMB20.5 million for the six months ended June 30, 2025 and 2026, respectively. See "Statutory and General Information — 4. Our Share Incentive Scheme — A. 2025 Share Incentive Scheme" in Appendix VII for details.

To further incentivize employees and consultants, 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.

We have Historical Disposals that have impacted our results of operation and financial statements during the Track Record Period.

During the Track Record Period, we disposed of certain equity interests in several entities that were non-core or underperforming under our existing business segments, including Hongda Electric, Hefei Soongo, CSG Automate, and Huaxiao Precision in 2023 and 2024. As a result of the Historical Disposals, our financial statements in 2023 and 2024 had been impacted. See "Financial Information — Key Factors Affecting Our Results of Operations — Impact of the Historical Disposals During the Track Record Period" for details. We may from time to time, dispose of or transfer any equity interest in subsidiaries in the ordinary course of business, which may lead to significant fluctuations on our financial statements. The impact of future disposals and transfers on our results of operations and financial condition cannot be accurately predicted, and there can be no assurance that our attempt to mitigate any adverse effect of such fluctuations will be successful or that such disposals and transfers will not in the future have a material adverse effect on our results of operations, financial condition and prospects.

We may experience inventory impairment, shortage or excess, which may adversely affect on our business, financial condition and results of operations.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had inventories of RMB1,221.7 million, RMB989.0 million, RMB845.9 million and RMB1,032.7 million, respectively. Our inventory turnover days were approximately 187 days, 197 days, 143 days and 148 days in 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively. Our inventory impairment loss for the years ended December 31, 2023, 2024 and 2025 was RMB74.9 million, RMB28.1 million and RMB12.6 million, respectively and RMB2.8 million and RMB2.6 million for the six months ended June 30, 2025 and 2026, respectively. Inventory management is important for our business. We may experience inventory impairment, shortage or excess as a result of a variety of factors, including changes in customer needs or market trends due to rapid technological iteration, changes in market prices and regulatory environment. We cannot guarantee that our inventory management will enable us to avoid understocking or overstocking inventory so as to prevent inventory impairment, shortage or excess. As a result of unforeseen or sudden events, we may experience slow movement of our inventories, fail to utilize or sell our inventories swiftly, or experience inventory obsolescence, which could have an adverse effect on our business, financial condition and results of operations.

We may be exposed to risks related to a prolonged cash conversion cycle.

During the Track Record Period, we recorded relatively long inventory turnover days and trade and notes receivables turnover days, which may lead to delay in converting our revenue into cash. For details, see "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position — Inventories", "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position — Trade and Notes Receivables", and "Financial Information — Discussion of Certain Components of Consolidated Statements of Financial Position — Trade and Notes Payables." Our inventory turnover days were 187 days, 197 days, 143 days and 148 days, our trade and notes receivables turnover days were 210 days, 229 days, 192 days and 198 days, and our trade and notes payables turnover days were 294 days, 320 days, 266 days and 276 days, in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. Our cash conversion cycle, a metric to measure how efficiently we manage our working capital by tracking the number of days it takes to convert our investments in inventory and other resources into cash flows from sales, was 103 days, 106 days, 69 days and 70 days for 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. The cash conversion cycle is calculated by adding inventory turnover days and trade and notes receivables turnover days, then subtracting trade and notes payables turnover days.

Our relatively long inventory turnover days are primarily attributable to our customized products and solutions, which generally require longer delivery cycles. Any increase in our inventory and trade and notes receivables turnover days could lead to a prolonged cash conversion cycle, particularly in light of potential fluctuations in customer payment patterns, supply chain volatility, and changing macroeconomic conditions. A long cash conversion cycle may add pressure to our working capital or necessitate greater external financing to support our operations and growth. If we are unable to manage our inventory and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position, financial condition, and results of operations could be adversely affected.

There is no assurance that we will be able to comply with the applicable laws and regulations relating to cyber security, data privacy and personal information protection.

We are subject to laws and regulations relating to cyber security, data privacy and personal information protection. In accordance with the requirements of applicable laws and regulations, we have established and implemented internal management policies and technical measures to regulate the collection, use, storage and protection of personal information and data, and to prevent personal information and data from being divulged, stolen or tampered with. In addition, we may be influenced by misconduct of our employees or third parties, such as misappropriating or illegally disclosing confidential information obtained in our business operations. As a result, we may be required to invest significant resources to develop our security measures against cyber security, data privacy, and personal information protection issues caused by potential breaches.

In addition, regulatory requirements on cyber security, data privacy, and personal information protection 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 cannot guarantee that relevant interpretation or implementation of the laws or regulations will not adversely affect us. We may also become subject to new laws and regulations regarding cyber security, data privacy, and personal information protection matters. Failure to comply with the applicable laws and regulations or effectively address data privacy and protection concerns could subject us to legal proceedings, regulatory actions or penalties, which may further adversely affect our business, financial condition and results of operations.

There is no assurance that we will be able to obtain, maintain, update or renew all the requisite licenses, permits, certificates and approvals required under the regulatory environment applicable to our business.

The industry sectors in which we provide our products and solutions are subject to the regulatory oversight of a number of governmental authorities, including but not limited to the Development and Reform Commission, the department of Industry and Information Technology, the Energy Bureau, and the department of Housing and Urban-Rural Development.

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant governmental authorities that are material to our business operations in markets in which we operate. For details, see "Business — Licenses and Permits" in this Document. There is no assurance that we can successfully update or renew the licenses, permits, certificates and approvals required for our business in a timely manner or at all, or that these licenses, permits, certificates and approvals are sufficient to conduct all of our present or future business. There are uncertainties regarding the interpretation and implementation of existing and future laws and regulations governing our business activities. If we fail to complete, obtain or maintain any of the required licenses, permits, certificates and approvals or make the necessary filings, we may be subject to various penalties, such as imposition of fines and the discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, financial condition and results of operations.

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

If we are not able to adequately protect or enforce the intellectual property rights relating to our products and solutions and other technologies, competitors could be able to access and use them, and our operations and financial condition could be adversely affected. We currently attempt to protect our technology through a combination of patent, copyright, trademark and trade secret laws, employee and third-party nondisclosure agreements and similar means. Despite our efforts, other parties may unintentionally or willfully disclose, obtain or use our technologies or systems. Our competitors may also be able to independently develop similar or superior products or solutions without copying our technology or design around our patents. Further, we may not have adequate intellectual property rights in certain technology in jurisdictions that one day may become important to our business where we do not currently own any issued or applied-for patents.

In addition, any litigation initiated by us concerning the infringement by third parties of our intellectual property rights is likely to be expensive and time consuming and could lead to the invalidation of, or render unenforceable, our intellectual property rights, or could otherwise have negative consequences for us. We may be a party to claims and litigation as a result of alleged infringement by third parties of our intellectual property rights. Even when we sue other parties for such infringement, that suit may have adverse consequences for our business. Any such suit may be time consuming and expensive to resolve and may divert our management's time and attention from our business. Furthermore, it could result in a court or governmental agency invalidating, narrowing the scope of, or rendering unenforceable our patents or other intellectual property rights upon which the suit is based, which may seriously harm our business. Additionally, monitoring unauthorized use and disclosures of our technology, intellectual property and confidential

information can be difficult and expensive. We cannot be sure that the steps we have taken will prevent misappropriation, infringement and violation of our intellectual property or rights. If we are unable to adequately protect, establish, maintain or enforce our intellectual property or other rights, our business, financial condition and results of operations may be adversely affected.

If we are unable to protect our proprietary information and know-how, the value of our technology and solutions could be harmed significantly.

In addition to patented technology, we rely on trade secrets, know-how and other proprietary information in operating our business. If this information is not adequately protected, then it may be disclosed or used in an unauthorized manner. To the extent that consultants, key employees or other third parties apply technological information independently developed by them or by others to our products or solutions, disputes may arise as to the proprietary rights to such information, which may not be resolved in our favor. In addition, while it is our policy to require certain of our employees, suppliers, consultants, advisors and independent contractors who may be involved in the conception or development of intellectual property rights for us to execute agreements assigning such intellectual property rights to us, we cannot guarantee that we have entered into such agreements with each party that may have developed intellectual property rights for us. Individuals involved in the development of intellectual property rights for us may make adverse ownership claims to our current and future intellectual property rights, which may compromise our ability to pursue commercial objectives that utilize our intellectual property assets. The assignment of intellectual property rights in agreements entered into by individuals involved in the development of intellectual property rights for us may not be self-executing, or the assignment agreements otherwise may be insufficient or breached, and we may not be able to obtain adequate remedies for such breaches. We may be forced to bring claims against third parties or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property rights. Additionally, to the extent that our employees, independent contractors or other third parties with whom we do business use intellectual property rights owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition and results of operations.

The risk that other parties may breach confidentiality agreements or that our trade secrets become known or independently discovered by competitors could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The unauthorized use or disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our products and solutions and harming our ability to maintain or increase our customer base.

Our production process relies on components and raw materials that may be subject to price fluctuations or shortages.

We manufacture substantially all of our products in-house at our production bases in the PRC. We also collaborate with external suppliers to manufacture and supply a portion of the structural parts required for our production. The key components for our products and solutions may be subject to price fluctuations or shortages. Any shortage in the entire robotics industry and other sectors may lead to an increase in purchase price of chips and disruption in the supply of such key components for our production process.

We may not be able to obtain adequate replacement parts for our existing production process or to obtain additional raw materials on a timely basis, or at all, or we may only be able to purchase raw materials at premium prices. Such events could have a material adverse effect on our ability to pursue our strategy, which could have a material adverse effect on our business and the value of our securities.

Our technology infrastructure may experience unexpected system failure, interruption, inadequacy, security breaches or cyber-attacks.

Our technology infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload. Our technology infrastructure may be vulnerable to damage or interruption caused by telecommunication failures, power loss, human error, cyber-attacks or other accidents. Despite any precautionary measures we may take, the occurrence of unanticipated problems that affect our technology infrastructure could result in interruptions in the availability of our products, solutions, and services. There is no assurance that we can respond to such interruptions in a timely manner, or at all. Such interruptions may affect the ability of customers to use cloud-based features of our products, solutions and services, which would damage our reputation, reduce our future revenues, harm our future profits, subject us to regulatory scrutiny and lead our customers and end-users to seek alternative solutions and services.

Furthermore, our technology infrastructure is also vulnerable to damages from fires, floods, earthquakes and other natural disasters, power loss and telecommunication failures. Any network interruption or inadequacy that causes interruptions to our operations, or failure to maintain the network and server or solve such problems in a timely manner, could reduce our customer and user satisfaction, which in turn could adversely affect our reputation, business and financial condition.

We are exposed to risks when we expand our business overseas.

During the Track Record Period, we sold our products and solutions to overseas countries and we generate a small portion of revenues from such non-domestic markets. Going forward, we expect to continue our international expansion, which will subject us to the following risks, among others: (i) challenges in providing solutions, services and support, in recruiting personnel in non-domestic markets, and in managing sales channels and distribution networks effectively; (ii) revenue fluctuation from period to period in the future due to unfavorable market conditions, intensified competition, unattractive solutions and services, downward pressure on our selling price and any other inherent risks associated with our international business operations; (iii) challenges in commercializing our products in new markets where we have limited experience with the local market dynamics and no existing or developed sales, distribution and marketing infrastructure; (iv) difficulties in dealing with regulatory regimes, regulatory bodies and government policies with which we may be unfamiliar, in order to obtain permits, licenses and approvals necessary to manufacture or import, market and sell solutions in or to various jurisdictions; (v) potentially reduced protection for our intellectual property rights and potential breach of third-party intellectual rights; (vi) differences in accounting treatment in different jurisdictions, potential adverse tax implications and foreign exchange losses; (vii) inability to effectively enforce contractual or legal rights; and (viii) changes in laws, regulations and policies as well as political, economic and market instability or civil unrest in the relevant jurisdictions.

If we are unable to effectively avoid or mitigate these risks, our ability to expand in non-domestic markets will be impaired, or our international business may not be able to achieve or sustain profitability, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

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

During the Track Record Period, we sold our products and solutions to overseas countries and we generate a small portion of revenues from such non-domestic markets. As such, our business operations and financial performance may be influenced by international trade policies, geopolitics, trade protection measures, export controls, and economic or trade sanctions. We are not subject to any export control and economic or trade sanctions during the Track Record Period and up to the

Latest Practicable Date. International trade policies and geopolitics are subject to frequent changes and uncertainties, often driven by political, economic, and social factors beyond our control. These changes could impact trade agreements, tariffs, customs duties, and other aspects of international trade, potentially increasing our operational costs and affecting our market access. Changes in trade protection measures, such as countervailing duties, or safeguard measures, could lead to increased costs or restrictions on our imports. Geopolitical uncertainties, such as tariffs, war, regional conflicts (e.g., the conflict involving the U.S., Israel and Iran), terrorism, public health issues and other business interruptions could cause damage or disruption to international commerce and the global economy, and thus could have adverse effect on us, our customers and suppliers. We cannot assure you that future international trade regulations, quotas, tariffs and duties will not increase our costs or provide our competitors with an advantage over us, either of which may have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, certain jurisdictions or international organizations have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against targeted countries or against targeted industry sectors, groups of companies or persons, and/or organizations within such countries. Sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of sanctioned persons. New requirements or restrictions could come into effect which might potentially increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk or our business will conform to the expectations and requirements of the authorities of U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose or provides a basis for a sanctions designation of us.

Any failure by us or our employees or our business partners to comply with applicable anti-money laundering, anti-terrorism anti-bribery, export controls, economic and trade sanctions regulations and similar laws could lead to significant penalties and damages to our reputations, adversely affecting our operating performance, financial condition and results of operations.

Any failure by us or our business partners who work with us to comply with applicable anti-money laundering ("**AML**"), anti-terrorism, anti-bribery, export controls, or economic and trade sanctions laws and regulations could lead to significant penalties and damage to our reputation. We and our business partners who work with us are often required to comply with certain AML requirements set out by regulators in the jurisdictions where we and our business partners operate. We are also subject to various AML, anti-terrorism anti-bribery, export controls and economic and trade sanctions laws and regulations that prohibit, among other things, any involvement in transferring the proceeds of criminal activities and the import and export of controlled products and technologies. To comply effectively with such laws and regulations, we and our business partners must establish sound internal control policies and procedures with respect to AML, anti-terrorism, anti-bribery, export controls, economic and trade sanctions, which can require significant resources and expenditures.

If we fail to comply with AML, anti-terrorism anti-bribery, export controls and economic and trade sanction laws and regulations, we could be subject to fines, enforcement actions, regulatory sanctions, additional compliance requirements, increased regulatory scrutiny of our business, or other penalties levied by government authorities, and damages to our reputation, all of which may adversely affect our business, results of operations and financial condition. Similarly, if any of our subsidiaries, employees, business partners or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal control policies, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws, which may result in penalties, fines or sanctions and in turn adversely affect our reputation, business, financial condition and results of operations.

In addition, we are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations in the jurisdictions where we operate. We may be subject to investigations and proceedings by governmental authorities for alleged infringements of these laws if our compliance processes or internal control systems are not conducted or are not operating properly. These proceedings may result in fines or other liabilities and could have a material adverse effect on our reputation, business, financial conditions and results of operations. If any of our subsidiaries, employees or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal controls, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws, which may result in penalties, fines and sanctions and in turn adversely affect our reputation, business, financial condition and results of operations. Given the uncertainty, complexity and scope of many of these litigation matters, their outcome generally cannot be predicted with a reasonable degree of certainty. Therefore, our provision for such matters may be inadequate. Moreover, even if we eventually prevail in these matters, we could incur significant legal fees or suffer significant reputational harm, which could have a material and adverse effect on our prospects and future growth, including our ability to attract new business partners and customers, expand our relationships with governmental regulators and industry groups and recruit and retain employees and agents.

If we fail to successfully execute acquisitions, establish joint ventures or conduct other strategic investments, our business, financial condition and results of operations may be adversely affected.

We may, from time to time, pursue acquisitions, establish joint ventures or undertake other strategic investments to expand our business, enhance our technological capabilities or achieve other strategic objectives. These activities involve numerous uncertainties. We may have to rely on assumptions, estimates and limited information when assessing the value, prospects and risks of a target business or technology, and our assessment may prove incorrect. As a result, we may pay a price that exceeds the target's actual value or the value that may ultimately be realized, or we may otherwise fail to obtain an adequate return on the capital deployed. We may experience difficulties integrating personnel and corporate cultures, management and reporting structures, operational processes, information technology systems, and internal control and compliance systems, and we may face retention or cultural challenges associated with integrating employees into our existing business. We may be unable to realize the anticipated benefits, including expected synergies, cost savings, efficiencies or other strategic objectives, or such benefits may take longer than expected to achieve or be offset by integration costs, operational disruptions, increased complexity, competitive responses, customer attrition or changes in market conditions. We may also be exposed to unknown or contingent liabilities of acquired or invested companies. There can be no assurance that any acquisition, joint venture or strategic investment will be successful or will not adversely affect our business, financial condition and results of operations.

Our risk management and internal control systems may not be adequate or effective.

We seek to improve and update our risk management and internal control systems on a regular basis. See "Business — Risk Management and Internal Control" for details. However, there is no assurance that they will be effective in safeguarding our risk management and internal control functions and fulfilling their purposes by ensuring, among other things, accurate reporting of our financial results and the prevention of fraud. Since our risk management and internal control systems depend on effective implementation by our employees, and even though we provide relevant internal trainings in this regard, we cannot assure you that our employees are sufficiently or fully trained to implement these systems, or that their implementation will be free from error or mistakes. If we fail to timely update, implement, and modify, or fail to deploy sufficient human resources to maintain our risk management policies and internal control procedures, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Further, there can be no assurance that our employees will not engage in misconducts or omissions that could materially and adversely affect our business, financial condition and results of operations. In addition, although we maintain strict standards in choosing our business partners, there is no assurance that our business partners will not engage in misconducts or omissions. Any misconduct by our business partners may affect our operations and reputation, which may in turn affect our business, results of operations and financial condition.

We, our Directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fines, which could have a material adverse effect on our business, results of operations, financial condition and reputation.

As of the Latest Practicable Date, we were not a party to any material legal or administrative proceedings. However, we may in the future be subject to or involved in lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fines relating to our business operations. Lawsuits and other administrative or legal proceedings that may arise during our operations can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fine. Lawsuits and other legal and administrative proceedings may be costly and time consuming and may require a commitment of management and personnel resources that will be diverted from our normal business operations. There may also be negative publicity associated with litigation that could decrease consumer acceptance of our solutions, regardless of whether the allegations are valid or whether we are ultimately found liable. If any of these happens, our business, financial condition, results of operations or liquidity could be materially and adversely affected. In addition, our Directors, management, shareholders and employees and their affiliates may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation and results of operations.

We or certain of our Directors or officers may be a target for lawsuits, including putative class action lawsuits brought by shareholders and lawsuits against our Directors and officers as a result of their position in other public companies. We cannot assure you that we or our Directors or officers will be able to prevail in their defense or reverse any unfavorable judgment on appeal, and we and our Directors or officers may decide to settle lawsuits on unfavorable terms. Any adverse outcome of these cases, including any plaintiffs' appeal of the judgment in these cases, could result in payments of substantial monetary damages or fines, or changes to our business practices, and thus materially and adversely affect our business, financial condition, results of operations, cash flows and reputation. Moreover, even if we or our Directors or officers eventually prevail in these matters, we could incur significant legal fees or suffer significant reputational harm. We also may be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial performance.

We face certain risks in relation to our leases.

Certain of our lease agreements have not been registered and filed with the relevant real estate administration bureaus in the PRC. As of June 30, 2026, we leased twelve properties in the PRC, with an aggregate GFA of approximately 32,831.9 sq.m., primarily used for production, R&D and offices purposes. As of the Latest Practicable Date, we had not registered our rental agreements for twelve leased properties in the PRC with the competent authorities because the relevant lessors failed to register and file the leases with the local government authorities on time. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements or result in us being required to vacate the leased properties. However, the relevant PRC authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements, therefore the aggregate amount of the maximum fine will be RMB120,000. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner once we are required to do so. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

We may also be exposed to risks of unexpected early lease termination at the request of the lessors or other reasons out of our control, and the relevant facilities need to be temporarily closed if we are not able to identify suitable premises on acceptable terms to relocate in a timely manner. The occurrence of such events could disrupt our operations, and materially and adversely affect our business, financial condition and results of operations.

In addition, our leased property interests may be subject to the risk of defective titles and could be challenged by third parties or governmental authorities. If our lessors are not the owners of the properties and they have not obtained consents from the owners or their lessors or permits from the relevant government authorities, the relevant lease agreements might be deemed unenforceable in accordance with the relevant laws and regulations. In such cases, we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties and we might incur additional costs and resources to relocate relevant properties into new locations.

Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.

Valuations of our selected property interest as of July 31, 2026 prepared by Asia-Pacific Consulting and Appraisal Limited, an independent property valuer, are set forth in the valuation report set out as Appendix VI to this document. The valuations are made based on assumptions which, by their nature, are subjective and uncertain and may differ from actual results. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

To address any ESG risks, we may incur additional costs, which may materially and adversely affect our financial performance.

To identify, manage, and mitigate ESG risks, we may incur additional costs and expenses which could impact our financial performance. Given the nature of our business, we do not produce any material generation of emissions and wastes and no heavy pollution. Nonetheless, we monitor environmental and climate-related risks that may impact on our business, strategy and financial performance and evaluate the magnitude of the resulting impact over the short-, medium- and long-term horizons. We monitor a wide range of indicators to manage our environmental and climate-related risks arising from our operations and are committed to providing adequate support to our employees to nurture a friendly and inspirational corporate culture. This commitment may entail incurring substantial additional costs and would potentially impact our profitability. See "Business — Environmental, Social and Governance."

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

We may not have sufficient insurance coverage to cover our business risks.

We have obtained insurance to cover certain potential risks and liabilities, such as product liability insurance and employers' insurance. For further details, see "Business — Insurance". However, insurance companies in the PRC may offer limited business insurance products. As a result, we may not be able to acquire any insurance for all types of risks we face in our operations in the PRC, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. This potentially insufficient coverage could expose us to potential claims and losses. Any business disruption, litigation, regulatory

action, outbreak of epidemic disease, adverse weather conditions or natural disasters could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage will be sufficient to cover us for any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensation amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Higher labor costs and inflation may adversely affect our business, results of operations, financial condition and prospects.

Rising inflation may be reflected in the prices of raw materials from our suppliers. Factors such as changes in minimum wage laws, labor market dynamics, or increased competition for skilled labor in the industry may lead to higher labor expenses. Such increases could exert upward pressure on the fees that we paid to our employees or other third-party service providers. Our ability to manage and mitigate the impact of rising labor costs through operational efficiencies, process improvements, or technological innovations will also significantly influence our competitiveness and financial performance. However, there is no guarantee that we will succeed in effectively managing the impact of rising labor costs.

Moreover, higher cost for labor and raw materials might necessitate adjustments in service pricing, potentially making our solutions less competitive in the market. Attempts to pass on increased labor costs to customers through higher service fees could result in reduced demand or market share loss.

We are subject to certain liquidity risks relating to our joint ventures or associates.

We have invested in associated companies or joint ventures and may continue to do so in the future. The performance of such associates or joint ventures has affected, and will continue to affect, our results of operations and financial position. Our investments in associates and joint ventures are not as liquid as other investment products. Furthermore, our ability to promptly sell one or more of our interests in our associates or joint ventures in response to changing economic, financial and investment conditions is limited. The market is affected by various factors, such as general economic conditions, availability of financing, interest rates and supply and demand, many of which are beyond our control. We cannot predict whether we will be able to sell any of our interests in the associates or joint ventures for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a purchaser and to complete the relevant transaction. Therefore, the illiquidity nature of our investment in associates and joint ventures may significantly limit our ability to respond to adverse changes in the performance of our associates. The success of an associate or a joint venture depends on a number of factors, some of which are beyond our control. As a result, we may not be able to realize the anticipated economic and other benefits from such associates and joint ventures, such as receiving dividends from them.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

There are uncertainties with respect to the legal protections you are entitled to under legal system in the PRC.

The legal system in the PRC is a civil law system based on written statutes. Unlike common law systems, it is a system in which decided legal cases have limited precedential value. The laws and regulations in the PRC are subject to further revisions or interpretations from time to time. New laws, regulations, guidelines and interpretations that are promulgated in the future may affect the rights and obligations of the parties involved. Therefore, you should assess the legal protections you are entitled to under legal system in the PRC.

[REDACTED] may experience difficulties in effecting service of legal process and enforcing judgments against us and our Directors and management.

We are a company incorporated under the laws of the PRC and substantially all of our assets 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 effect service of process upon most of our Directors and senior management outside the PRC. Although we will be subject to the Listing Rules and the Takeovers Code upon the [**REDACTED**] of our H Shares on the Stock Exchange, the holders 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 Takeovers Code do not have the force of law in Hong Kong.

The PRC government's control over foreign currency conversion may adversely affect our business, results of operations and our ability to remit dividends.

The conversion of RMB is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business.

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

Fluctuations in the value of the Renminbi may have an adverse effect on our financial results, and impact dividend payments, if any, to our Shareholders.

Fluctuations in exchange rates between Renminbi, Hong Kong dollar, US dollar and other currencies are unpredictable and may be affected by a number of factors, such as economic and political developments. In 2023, we recognized foreign exchange loss, net of RMB0.2 million. In 2024 and 2025, we recognized foreign exchange gain, net of RMB0.2 million, and RMB0.1 million, respectively. For the six months ended June 30, 2025 and 2026, we recognized net foreign exchange gains of RMB0.7 million and net foreign exchange losses of RMB0.2 million, respectively.

Revaluation of Renminbi may have an adverse effect on your [**REDACTED**]. For example, to the extent that we need to convert Hong Kong dollars we receive from this [**REDACTED**] into Renminbi for our operations, appreciation of Renminbi against Hong Kong dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the purpose of making payments for any dividends on our Shares or for other business purposes, appreciation of the Hong Kong dollar against Renminbi would have a negative effect on the Hong Kong dollar amount available to us. As a result, fluctuations in exchange rates may have an adverse effect on your investment in our Shares.

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

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

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

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

Uncertainties embedded in the legal systems in the markets where we operate and plan to enter into could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we operate and plan to enter into vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of some geographic markets where we operate and plan to enter into are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate and plan to enter into. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate and plan to enter into are based in part on their respective government policies and internal interpretations, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate and plan to enter into may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of our industries and affect our business, financial condition and results of operations.

Any [REDACTED] on the [REDACTED] of our H Shares by [REDACTED] and dividends paid to [REDACTED] on our H Shares may be subject to PRC tax.

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

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in the PRC under the IIT Law and its implementation guidelines. Accordingly, in principle we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax of the MOF and SAT (《財政部、國家税務總局關於個人所得税若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, dividend income of individual foreigners from PRC enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

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

For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those that have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外

H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [**REDACTED**]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities will be in accordance with the then effective laws and regulations and may change, and new taxes may be imposed, which in either case may adversely affect the value of [**REDACTED**].

We may be subject to additional regulatory requirements under new laws and regulations on [REDACTED] and [REDACTED] issued by PRC government authorities.

We may be subject to additional regulatory requirements under new laws and regulations on [**REDACTED**] and [**REDACTED**] issued by PRC government authorities. On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by 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. On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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》) (the "Archives Rules"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

There are uncertainties and restrictions with respect to payment of dividends under PRC law.

Under PRC law, dividends may be paid only out of distributable profit, for which the PRC laws do not specify the applicable accounting principles. Distributable profit is our profit as determined under PRC GAAP or IFRS Accounting Standards, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. We may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years. Our PRC Legal Advisor is of the view that after making up losses and appropriation of statutory reserves, we may distribute after-tax profits.

In addition, we are required to comply with the dividend distribution rules prescribed by the PRC regulatory authorities when determining our dividend payout ratios. The PRC regulatory authorities may further amend the dividend distribution rules for listed companies in the future, which may significantly affect the amount of capital available to support the development and growth of our business.

Moreover, as the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS Accounting Standards in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRS Accounting Standards, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

RISKS RELATING TO THE [REDACTED]

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

As our A Shares are listed on the ChiNext of the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] 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 an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

The characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the ChiNext of the Shenzhen Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the ChiNext of the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the Main Board of the Stock Exchange. Under current laws and regulations of China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no direct [**REDACTED**] or settlement between the H Share and A Share markets. With different [**REDACTED**] characteristics, the H Share and A Share markets have different [**REDACTED**], as well as different levels of retail and institutional [**REDACTED**] participation. As a result, the [**REDACTED**] performance 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. 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 performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the [**REDACTED**] in our H Shares.

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

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 and trading volume will develop and be sustained following the completion of the [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares is the result of negotiations between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and us, and may not be an indication of the market price at which our H Shares will be [**REDACTED**] following the completion of the [**REDACTED**]. If an active public market for our H Shares does not develop following the completion of the [**REDACTED**], the market price and liquidity of our H Shares may be materially and adversely affected.

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

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect

the [**REDACTED**] of our H Shares. In addition to market and industry factors, the [**REDACTED**] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, relationships with our business partners, movements or activities of key personnel, actions taken by competitors or regulatory developments. Moreover, shares of other companies listed on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to [**REDACTED**] not directly related to our business performance.

Future sales or perceived sales of our H Shares in the public market could have a material adverse effect on the market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The market price of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of our H Shares or other securities relating to our H Shares in the public market by our Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the [**REDACTED**] of our H Shares.

In addition, while [**REDACTED**] are not subject to any restrictions on the disposal of the H Shares they [**REDACTED**], they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [**REDACTED**] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [**REDACTED**]. Any sale of the H Shares [**REDACTED**] by such [**REDACTED**] pursuant to such arrangement or agreement could adversely affect the market price of our H Shares and any sizeable sale could have a material and adverse effect on the market price of our H Shares and could cause substantial volatility in the trading volume of our H Shares.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

No dividends have been paid or declared by the Company for the years ended December 31, 2023, 2024 and 2025, as the relevant conditions for distributing cash dividends stipulated in our Articles of Association were not satisfied. On March 17, 2026, we declared cash dividends of RMB31.1 million to our Shareholders in respect of the year ended December 31, 2025, which was fully paid out on April 21, 2026. There is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of Chinese Mainland, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under the IFRSs. The declaration, payment and amount of any future dividends are subject to the discretion of our Board of Directors, after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Board of Directors may deem relevant, and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of Chinese Mainland. For details, see "Financial Information — Dividends and Dividend Policy." No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange.

As our A Shares are listed on the ChiNext of the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in Chinese Mainland. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in Chinese Mainland, which are different from those applicable to the [**REDACTED**]. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. As a result, prospective [**REDACTED**] in our H Shares should be reminded that, in making their [**REDACTED**] as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to purchase our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

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

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

Certain facts, forecast and other statistics in this Document obtained from publicly available official sources have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this Document are derived from various government and official sources. However, our Directors cannot guarantee the reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and presenting such information. 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. Nevertheless, information from government and official sources have not been independently verified by us, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our [**REDACTED**] 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, our [**REDACTED**] should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

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

This Document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain [**REDACTED**] information and other matters. The words "aim," "anticipate," "believe," "could," "predict," "potential," "continue," "expect," "intend," "may," "might," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and [**REDACTED**] should not place undue reliance.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

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:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 and Rule 19A.15 of the Listing Rules.

Our Group's management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. Our Directors consider that the appointment of executive directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or 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 the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements: (i) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange. At present, our two authorized representatives are Dr. Huang, our executive Director and the chairman of our Board and Mr. Wong Chun Wing Samuel, our joint company secretary; (ii) pursuant to Rule 3.20 of the Listing Rules, each Director will provide their contact information to the Stock Exchange and to the authorized representatives. This will ensure that the Stock Exchange and the authorized representatives should have means for contacting all Directors promptly at all times as and when required; (iii) we will endeavor to ensure that 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; and (iv) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Guoyuan Capital (Hong Kong) Limited as compliance advisor (the "**Compliance Advisor**"), who will act as an additional channel of communication with the Stock Exchange. We will ensure that the Compliance Advisor will have access at all times to our authorized representatives, our Directors and other officers. We shall also ensure that such persons will promptly provide such information and assistance as the Compliance Advisor may need or may reasonably request in connection with the performance of the Compliance Adviser'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, our authorized representatives, our Directors, other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between us and the Stock Exchange.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of their academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

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: (i) a member of The Hong Kong Chartered Governance Institute; (ii) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and (iii) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing the "relevant experience", the Stock Exchange will consider the individual's: (i) length of employment with the issuer and other issuers and the roles he/she played; (ii) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code; (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and (iv) professional qualifications in other jurisdictions.

Our Company appointed Mr. Huang Junwei ("**Mr. Huang**"), our chief financial officer, and Mr. Wong Chun Wing Samuel ("**Mr. Wong**") as joint company secretaries of our Company. For further details, see "Directors and Senior Management — Joint Company Secretaries" for their biographies.

Mr. Wong is a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Mr. Huang has access to the relevant training and support to enable him to familiarise himself with the Listing Rules and the duties required of a company secretary of an issuer listed on the Stock Exchange. Our Company's legal advisor as to Hong Kong laws has provided training to Mr. Huang on the principal requirements of the Listing Rules and the Hong Kong laws and regulations applicable to our Company after the [**REDACTED**]. In addition, Mr. Huang will endeavor to familiarise himself with the Listing Rules, including any updates thereto, during the three-year period from the [**REDACTED**]. Mr. Huang has confirmed that he will attend no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investor relations as well as the functions and duties of a company secretary of a Hong Kong listed issuer during each financial year. Before the expiry of Mr. Huang's initial term of appointment as the company secretary of our Company, our Company will evaluate his experience in order to determine if he has acquired the qualifications.

Our Company's principal business activities are outside Hong Kong. Our Company believes that it would be in the best interests of our Company and the corporate governance of our Group to have as its joint company secretary a person such as Mr. Huang, who is an employee of our Company and who has day-to-day knowledge of our Company's affairs. Mr. Huang has the necessary nexus to our Board and close working relationship with the management team of our Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a three-year period from the [**REDACTED**], in accordance with paragraphs 11 to 16 of Chapter 3.10 of the Guide for New Listing Applicants, on the conditions that: (i) Mr. Huang must be assisted by Mr. Wong as a joint company secretary, who possesses qualifications under Rules 3.28 and 8.17 of the Listing Rules; and (ii) the waiver will be revoked if Mr. Wong ceases to provide assistance to Mr. Huang during the waiver period or if there are material breaches of the Listing Rules by our Company. In addition, Mr. Huang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. Our Company will further ensure that Mr. Huang has

access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange. Before the end of the three-year period, we shall demonstrate to the Stock Exchange's satisfaction and seek its confirmation that Mr. Huang, having had the benefit of Mr. Wong's assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary so that a further waiver would not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE 2025 SHARE INCENTIVE SCHEME

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the options granted by our Company:

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

(b) Paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in the 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 Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to disclose, amongst others, details of 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 particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) 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 must be specified in the document.

Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants, the Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the issuer could demonstrate that such disclosures would be irrelevant and unduly burdensome, subject to certain conditions specified therein.

Our Company may, from time to time, adopt share incentive schemes. As of the Latest Practicable Date, the 2025 Share Incentive Scheme remained in effect, under which 159 eligible grantees held outstanding options to subscribe for an aggregate of 17,760,000 A Shares, representing approximately 2.27% of the total issued Shares of our Company as of the Latest Practicable Date and approximately [**REDACTED**] of the total issued shares immediately after 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**]). Among these 159 eligible grantees, two are our Directors, six are members of our senior management (excluding senior management members who are also Directors), two are supervisors of our major subsidiaries (our connected persons), and the remaining 149 are other employees of our Group. See "Statutory and General Information — 4. Our Share Incentive Scheme — A. 2025 Share Incentive Scheme" in Appendix VII to this Document.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

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, in relation to the options granted under the 2025 Share Incentive Scheme; 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 Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the options granted under the 2025 Share Incentive Scheme, respectively, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company and the exemption would not prejudice the interests of the investing public for the following reasons:

(a) given that 159 eligible grantees are involved and a large number of grantees are not our Director, members of the senior management or connected person of our Company, strict compliance with such disclosure requirements in setting out full details of all the eligible grantees under the 2025 Share Incentive Scheme in this Document would be costly and unduly burdensome for us in light of a significant increase in cost and timing for information compilation and document preparation. For example, we would need to collect and verify the addresses of a large number of eligible grantees to meet the disclosure requirement. Further, the disclosure of the personal details of each eligible grantee, including their names, addresses and the number of options granted, may require obtaining prior written consent from the eligible grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for our Company to obtain such consents given the number of eligible grantees;

(b) the grant and exercise in full of the options under the 2025 Share Incentive Scheme will not cause any material adverse impact to the financial position of our Group, given that the maximum shareholding dilution would be approximately [**REDACTED**];

(c) there will not be any new H Shares issued under the 2025 Share Incentive Scheme as the underlying Shares granted under the 2025 Share Incentive Scheme are our A Shares;

(d) non-compliance with the above disclosure requirements would not prevent us from providing our potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company;

(e) a full list of all grantees with outstanding options containing the particulars will be available for public inspection; and

(f) material information relating to the 2025 Share Incentive Scheme has been disclosed in this Document to provide prospective investors with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the options in making their investment decision, and such information includes:

    (1) a summary of the major terms of the 2025 Share Incentive Scheme;

    (2) the aggregate number of A Shares subject to the options and the percentage to our total issued Shares as of the Latest Practicable Date;

    (3) the dilutive effect and the impact on earnings per Share upon full exercise of the options immediately following completion of the [**REDACTED**] (assuming that no new Shares are issued under the [**REDACTED**] and no other changes are made to the issued share capital of our Company between the Latest Practicable Date to the [**REDACTED**]);

(4) full details of the options granted to our Directors, senior management members and connected persons (if any), on an individual basis, are disclosed in this Document, and such details include all the particulars required under Rule 17.02(1)(b) of the Listing Rules, 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;

(5) with respect to the options granted to other eligible grantees (other than those referred to in (4) above), disclosures are made on an aggregate basis, categorised into lots based on the number of A Shares underlying each individual grantee, and the following details are disclosed in this Document, including (1) the aggregate number of such grantees and the number of A Shares subject to the options; (2) the consideration paid for the grant of the options; and (3) the exercise period of the options and the exercise price for the options; and

(6) the particulars of the waiver and exemption granted by the Stock Exchange and the SFC, respectively.

The Stock Exchange [has granted] a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, in relation to the options granted under the 2025 Share Incentive Scheme on the conditions that:

(a) on an individual basis, full details of the options under the 2025 Share Incentive Scheme granted to each of our Directors, senior management members of our Group and connected persons of our Company are disclosed in "Statutory and General Information — 4. Our Share Incentive Schemes — A. 2025 Share Incentive Scheme" in Appendix VII to this Document 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;

(b) in respect of the options under the 2025 Share Incentive Scheme granted to remaining grantees (being the other grantees who are not our Directors, senior management members of our Group, connected person of our Company), the following details are disclosed in this Document, categorized into lots based on the number of A Shares underlying each individual grantee, being (i) 10,000 to 20,000 A Shares, (ii) 20,001 to 200,000 A Shares, (iii) 200,001 to 400,000 A Shares, and (iv) 400,001 to 600,000 A Shares. For each lot of A Shares, the following details are disclosed in this Document: (1) the aggregate number of grantees and number of A Shares underlying the options under the 2025 Share Incentive Scheme, (2) the consideration (if any) paid for the grant of the options under the 2025 Share Incentive Scheme, and (3) the exercise period of the options and the exercise price of the options granted under the 2025 Share Incentive Scheme;

(c) the aggregate number of A Shares underlying the options granted under the 2025 Share Incentive Scheme and the percentage to our total issued share capital represented by such number of A Shares as of the Latest Practicable Date are disclosed in this Document;

(d) the dilutive effect and impact on earnings per Share upon full exercise of the options under the 2025 Share Incentive Scheme are disclosed in "Statutory and General Information — 4. Our Share Incentive Scheme — A. 2025 Share Incentive Scheme" in Appendix VII to this Document;

(e) a summary of the major terms of the 2025 Share Incentive Scheme are disclosed in "Statutory and General Information — 4. Our Share Incentive Scheme — A. 2025 Share Incentive Scheme" in Appendix VII to this Document;

(f) a full list of grantees under the 2025 Share Incentive Scheme containing all the particulars as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules and paragraph 10 of Part 1 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provision) Ordinance is made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix VIII to this Document;

(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 Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and

(h) the particulars of the waiver will be disclosed in this Document and this Document will be issued on or before [**REDACTED**].

We have applied for and the SFC [has granted] a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the options granted under the 2025 Share Incentive Scheme on the conditions that:

(a) on an individual basis, full details of the options under the 2025 Share Incentive Scheme granted to each of our Directors, senior management members of our Group and connected persons of our Company who have been granted options are disclosed in "Statutory and General Information — 4. Our Share Incentive Scheme — A. 2025 Share Incentive Scheme" in Appendix VII to this Document 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;

(b) in respect of the options under the 2025 Share Incentive Scheme granted to remaining grantees (being the other grantees who are not our Directors, senior management members of our Group or connected person of our Company), the following details are disclosed in this Document: (1) the aggregate number of grantees and number of A Shares underlying the options under the 2025 Share Incentive Scheme, (2) the consideration (if any) paid for the grant of the options under the 2025 Share Incentive Scheme, and (3) the exercise period of the options and the exercise price of the options granted under the 2025 Share Incentive Scheme;

(c) a full list of grantees under the 2025 Share Incentive Scheme containing all the particulars 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 is made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix VIII to this Document;

(d) the aggregate number of A Shares underlying the outstanding options granted by our Company under the 2025 Share Incentive Scheme and the percentage of our Company's issued share capital of which such number represents upon completion of the [**REDACTED**] are disclosed in this Document; and

(e) the particulars of the exemption will be disclosed in this Document and this Document will be issued on or before [**REDACTED**].

[**REDACTED**]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[**REDACTED**]

POST-TRACK RECORD PERIOD ACQUISITIONS

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, our Company shall include in its accountant's report the results and balance sheet of any subsidiaries and/or businesses acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited accounts of our Company have been made up in respect of each of the three financial years immediately preceding the issue of the [**REDACTED**] document.

From July to September 2026, our Group entered into three investment agreements, pursuant to which our Group agreed to subscribe for (i) approximately 0.35% equity interest in Fusion THz for a total consideration of RMB15.0 million (the "**Fusion THz Subscription**"); (ii) 70.0% shareholding interest in Exeter Energy for a total consideration of US$1.0 million (the "**Exeter Energy Subscription**"); and (iii) approximately 4.98% equity interest in Silicon Zhun for a total consideration of RMB29.9 million (the "**Silicon Zhun Subscription**"), collectively referred to the "**Post-TRP Investments**". For further details, please refer to the section headed "History, Development and Corporate Structure — Post Track Record Period Acquisitions" in this Document.

Pursuant to note 4 to Rules 4.04(4) of the Listing Rules and based on the following reasons, our Company is applying for a waiver from strict compliance with the requirements of Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the Post-TRP Investments:

(a) **Immateriality of the Post-TRP Investments:** all the applicable percentage ratios in relation to each Post-TRP Investment are well below 5% by reference to the most recent financial year of the Track Record Period. Our Company considers each of the Post-TRP Investments to be immaterial in the context of our Group's operations as a whole and therefore a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect potential investors' assessment of our Group's business and future prospects when considering an investment in our Company.

(b) **Minority interests and absence of control:** upon completion of the Fusion THz Subscription and Silicon Zhun Subscription, our Company held a minority interest of approximately 0.35% and 4.98% in Fusion THz and Silicon Zhun respectively. In addition, our Company does not have board representation in Fusion THz or Silicon Zhun and therefore does not exercise any control over those companies at the board or shareholder level and will not be involved in their daily management. As a result, Fusion THz and Silicon Zhun will not be treated as subsidiaries of our Company and their financial results will not be consolidated into our Group's financial results.

(c) **Impracticality and undue burden:** since our Company does not have control over Fusion THz and Silicon Zhun, our Company is unable to provide our reporting accountant with full access to the financial record of Fusion THz and Silicon Zhun in order to gather and compile the necessary financial information and supporting documents to prepare the financial information of Fusion THz and Silicon Zhun in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules. As such, it would be impracticable and unduly burdensome for our Company to disclose the financial information of Fusion THz and Silicon Zhun in this Document in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules.

(d) **Exeter Energy Subscription**: although our Company will acquire a majority shareholding interest in Exeter Energy and will appoint directors to its board and expects that its financial results will be consolidated into our Group upon completion of the transaction, we consider the Exeter Energy Subscription to be immaterial in terms of its small business scale as compared to that of our Group and do not expect it to have any

material effect on our business, operation or financial position subsequent to June 30, 2026. In addition, it would require considerable time and resources for our Company and our reporting accountants to fully familiarize themselves with the management accounting policies of Exeter Energy which is a US company and compile the necessary financial information and supporting documents for disclosure in the Document. All information that our potential investors would reasonably require in assessing the impact of the Exeter Energy Subscription has already been disclosed in this Document. As such, it would not be meaningful and would be impractical for us to disclose the audited financial information of Exeter Energy in this Document in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules.

(e) **Alternative disclosure:** with a view to enabling potential investors to better understand the Post-TRP Investments, our Company have included in this Document information comparable to that required for a discloseable transaction under Chapter 14 of the Listing Rules, including, amongst others, (i) a general description of the principal business activities of Fusion THz, Exeter Energy and Silicon Zhun; (ii) the total consideration for each of the Post-TRP Investments, the basis on which the consideration was determined and how it was or is to be satisfied; and (iii) the reasons for and benefits of the Post-TRP Investments. See "History, Development and Corporate Structure — Post-Track Record Period Acquisitions" for more details.

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Huang Mingsong (黄明松)	Room 401, No. 24, Lane 301, Jinhui South Road, Minhang District, Shanghai, PRC	Chinese
Ms. Wang Tingting (汪婷婷)	No. 226, Lane 168, Yehuang Road, Qingpu District, Shanghai, PRC	Chinese
Ms. Ren Xueyan (任雪艳)	Room 202, No. 129, Lane 55, Yifeng Road, Zhangjiang Town, Pudong New Area, Shanghai, PRC	Chinese
Non-executive Director		
Ms. Zhang Li (張莉)	No. 402, Unit 2, Building 1, Courtyard 8, Luhua Road, Yizhuang Town, Daxing District, Beijing, PRC	Chinese
Independent Non-Executive Directors		
Dr. Wang Qing (王清)	Room 311, Building 100, No. 3 Feixi Road, Shushan District, Hefei City, Anhui Province, PRC	Chinese
Dr. Li Ao (李驁)	No. 8, Unit 2, Building 8, No. 18 xipo East Street, Gulou District, Kaifeng City, Henan Province, PRC	Chinese
Dr. Zhang Yuhao (張宇昊)	Flat C, 8/F, Block 1, Pine Court, 23 Sha Wan Drive, Pokfulam, Hong Kong	Chinese

For further details regarding our Directors, see the section headed "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

Guoyuan Capital (Hong Kong) Limited
17/F, Three Exchange Square
8 Connaught Place
Central
Hong Kong

[**REDACTED**]

Legal Advisors to the Company

As to Hong Kong laws:
Jun He Law Offices
7/F, AlA Central
1 Connaught Road Central
Hong Kong

	As to PRC laws: **Hai Run Law Firm** Floors 5, 9, 10, 13 and 17, Broadcast Building Jia No. 14 Jianguomenwai Avenue Chaoyang District Beijing, PRC
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong laws:* **Jia Yuan Law Office** Suites 3502-3503, 35/F One Exchange Square 8 Connaught Place Hong Kong *As to PRC laws:* **Jia Yuan Law Offices** 45/F, Media Finance Center Pengcheng 1st Road Futian District, Shenzhen Guangdong, PRC
Auditor and Reporting Accountant	**Rongcheng (Hong Kong) CPA Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* Unit 4301-07, 43/F, Cosco Tower 183 Queen's Road Central Sheung Wan Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Jingan District Shanghai PRC
Property Valuer	**Asia-Pacific Consulting and Appraisal Limited** Flat/Rm A, 12/F Kiu Fu Commercial Building 300 Lockhart Road Wan Chai Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office and Head Office	No. 777 Sizhuan Road Songjiang District Shanghai, PRC
Principal Place of Business in Hong Kong Registered under Part 16 of the Companies Ordinance	31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's Website	**www.csg.com.cn** *(information contained in this website does not form part of this Document)*
Joint Company Secretaries	**Mr. Huang Junwei (黃君巍)** Room 802, No. 5 Lane 458, Sibao Road Songjiang District Shanghai, PRC **Mr. Wong Chun Wing Samuel (黃俊穎)** *(ACG and HKACG)* 31/F., Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	**Dr. Huang Mingsong (黃明松)** Room 503, Building 1 No. 777 Sizhuan Road Songjiang District Shanghai, PRC **Mr. Wong Chun Wing Samuel (黃俊穎)** 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Audit Committee	Dr. Wang Qing (王清) *(Chairperson)* Dr. Zhang Yuhao (張宇昊) Dr. Li Ao (李驁)
Nomination Committee	Dr. Li Ao (李驁) *(Chairperson)* Dr. Zhang Yuhao (張宇昊) Ms. Ren Xueyan (任雪艷)
Remuneration and Appraisal Committee	Dr. Zhang Yuhao (張宇昊) *(Chairperson)* Ms. Wang Tingting (汪婷婷) Dr. Wang Qing (王清)

Strategy and Sustainability Committee	Dr. Huang Mingsong (黄明松) *(Chairperson)* Ms. Wang Tingting (汪婷婷) Dr. Li Ao (李鰲)
Compliance Advisor	**Guoyuan Capital (Hong Kong) Limited** 17/F, Three Exchange Square 8 Connaught Place Central Hong Kong

[**REDACTED**]

Principal Bank	**China Merchants Bank Shanghai Zhangjiang Sub-Branch** 1/F, No. 88 Keyuan Road Pudong New Area Shanghai PRC

The information and statistics set out in this section and other sections of this document were extracted from the industry report commissioned by us and independently prepared by Frost & Sullivan, in connection with the [**REDACTED**]. *In addition, certain information is based on, derived or extracted from, among other sources, publications of different government authorities and internal organizations, market statistics providers, communications with various PRC government agencies or other independent third-party sources unless otherwise indicated. We believe that the sources of such information and statistics are appropriate and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading. The information and statistics from official government sources have not been independently verified by us, the Joint Sponsors,* [**REDACTED**], [**REDACTED**], [**REDACTED**], [**REDACTED**], [**REDACTED**], *or any of their respective directors, advisers and affiliates, or any other person or parties involved in the* [**REDACTED**], *and no representation is given as to their accuracy.*

SOURCE OF INFORMATION

We engaged Frost & Sullivan, an independent global market research and consulting company founded in 1961, to conduct market research on the power equipment and energy storage and industrial robot industries. The agreed fee for the preparation and use of the Frost & Sullivan Report was RMB650,000, which was not contingent upon the successful [**REDACTED**] or the results of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other market research report in connection with the [**REDACTED**].

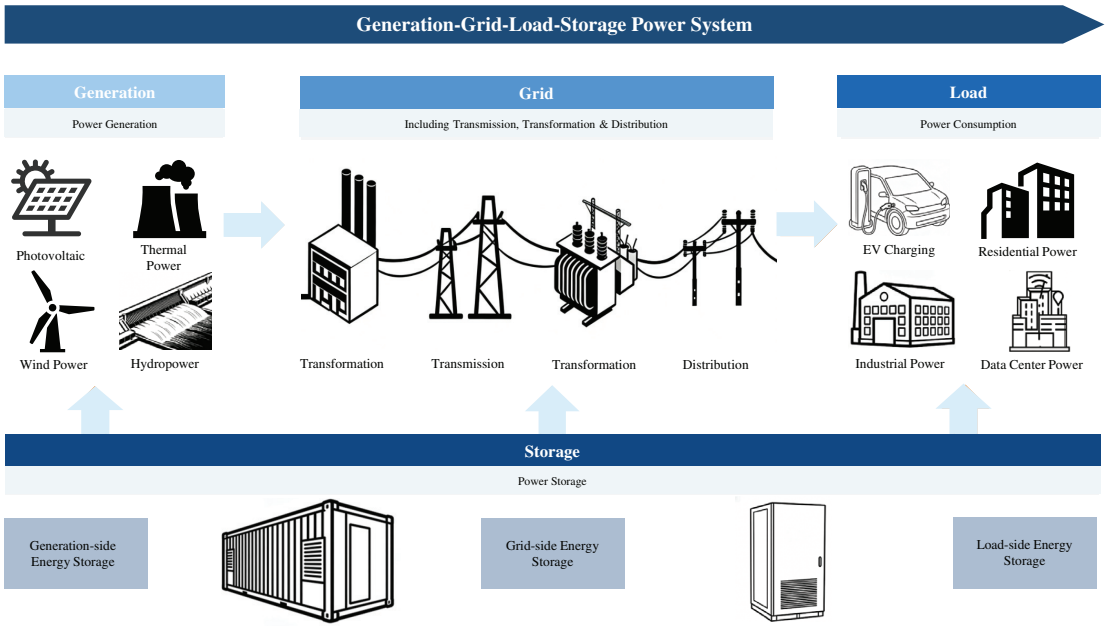
In preparing the Frost & Sullivan Report, Frost & Sullivan relied on its in-house database, independent third-party reports, publicly available information and, where necessary, communications with industry participants. Unless otherwise indicated, market estimates and forecasts in this section represent Frost & Sullivan's views.

In preparing its forecasts, Frost & Sullivan assumed that the social, economic and political environments in the relevant markets would remain generally stable during the forecast period, the global economy would maintain stable growth, and the relevant industries would continue to develop in line with the underlying macroeconomic environment. The accuracy of the forecasts is subject to the validity of these assumptions and the information relied upon.

1. OVERVIEW OF POWER EQUIPMENT AND ENERGY STORAGE INDUSTRY

1.1 Definition

Power equipment and energy storage refers to the digital and intelligent upgrading of power systems across the "generation-grid-load-storage" value chain. "Generation" covers conventional and renewable power generation; "Grid" covers power transmission, transformation and distribution; "Load" covers electricity consumption across industrial, commercial, residential and public service sectors; and "Storage" covers generation-side, grid-side and load-side energy storage.



Source: Frost & Sullivan

On the generation side, it improves renewable energy integration through data collection and coordinated control of power sources. On the grid side, it supports the upgrade of power equipment into intelligent terminals, with integrated primary-secondary equipment enabling real-time monitoring, fault location, self-healing restoration and higher reliability. On the load side, it facilitates precise data collection and interaction. On the storage side, AI+EMS systems optimize dispatch and control, improving flexibility and economic efficiency.

The Group generates revenue across the "generation-grid-load-storage" value chain. Our products include new energy grid-connection equipment on the generation side; integrated primary-secondary circuit breakers, ring main units, FTU and DTU on the grid side; low-voltage distribution and electricity information acquisition systems on the load side; and containerised, C&I and grid-forming energy storage systems on the storage side.

1.2 Market Drivers and Future Trends Analysis of Power Equipment and Energy Storage Industry

Rising Demand for Smart and Digital Electric Power Industry Upgrades

The global power industry is undergoing structural transformation, driven by rising electricity demand and increasing renewable energy penetration. The intermittency of renewable energy has increased requirements for grid stability, flexibility and supply-demand balancing, accelerating the digital and intelligent upgrading of power systems. As a result, distribution networks are increasingly adopting intelligent sensing, coordinated control and data-driven technologies, driving demand for intelligent power distribution and consumption equipment.

Large-Scale Renewable Deployment Driving Growth in Energy Storage Demand

As renewable energy penetration increases, its intermittency and volatility create greater challenges for grid stability and integration, driving demand for energy storage systems. In particular, grid-forming energy storage, which provides inertial support, voltage formation and frequency regulation, is gaining increasing adoption, supported by declining system costs.

Opportunity for Quantum–Grid Integration

As the transformation of the global power industry deepens, the industry faces challenges including volatile power supply and demand, limited measurement capabilities, cybersecurity risks and rising equipment performance requirements. Quantum technologies offer new solutions through higher measurement precision, faster computation and enhanced information security.

Opportunity from AIDCs

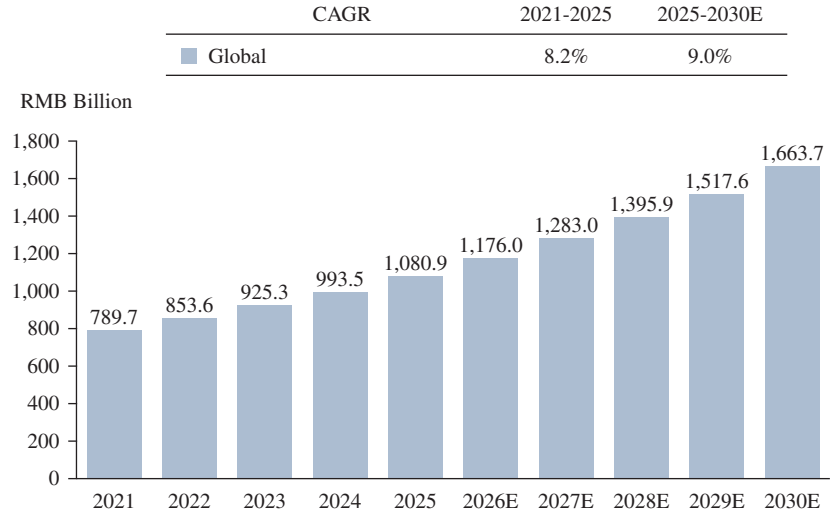
With the rapid growth of generative AI, global demand for AI computing power is increasing significantly, driving investment in AIDCs. As server rack power density rises, conventional power architectures face growing pressure in terms of space, cable capacity and conversion efficiency. Against this backdrop, high-voltage direct current power systems are emerging as a preferred solution for next-generation AIDCs.

1.3 Market Size of Global Power Equipment and Energy Storage Industry

From 2021 to 2025, the global power equipment and energy storage market expanded from RMB789.7 billion to RMB1,080.9 billion, representing a CAGR of 8.2%. With the advancement of digital capabilities and the rising need for intelligent energy management, the industry established a solid foundation for sustained growth in this stage.

The global power equipment and energy storage market is projected to reach RMB1,663.7 billion by 2030, corresponding to a CAGR of 9.0% from 2025 to 2030. The expected growth rate for the next five years slightly exceeds the historical level, indicating a potential strengthening of industry momentum.

Market Size of Global Power Equipment and Energy Storage Industry, by Revenue, 2021-2030E



Note: The exchange rate used in the report is 1 USD = 7.14 RMB, according to the China Foreign Exchange Trading System.

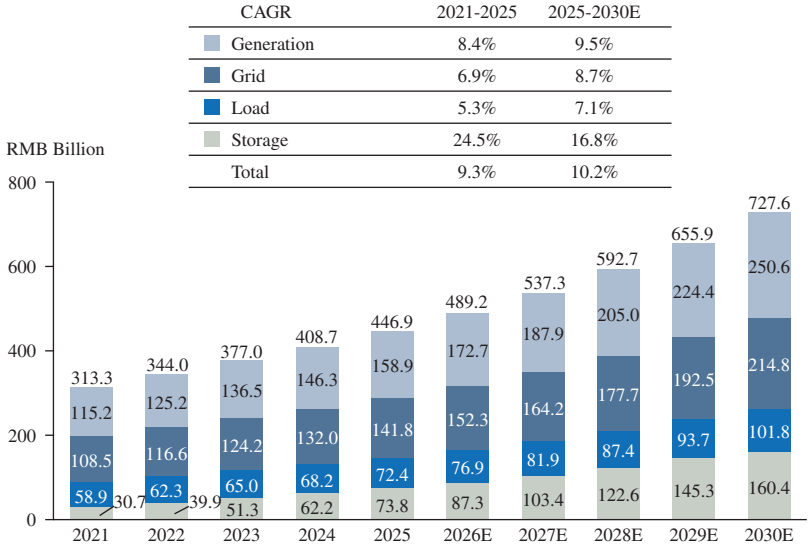
Source: Electric Power Technology Collaboration (EPTC), Frost & Sullivan

1.4 Market Size of Power Equipment and Energy Storage Industry in the PRC

From 2021 to 2025, the PRC power equipment and energy storage market expanded from RMB313.3 billion to RMB446.9 billion, representing a CAGR of 9.3%. All major segments recorded varying degrees of growth, with generation increasing from RMB115.2 billion to RMB158.9 billion, grid from RMB108.5 billion to RMB141.8 billion, load from RMB58.9 billion to RMB72.4 billion and storage expanding significantly from RMB30.7 billion to RMB73.8 billion.

The market is expected to reach RMB727.6 billion by 2030, corresponding to a CAGR of 10.2% from 2025 to 2030. All segments are projected to continue expanding, with generation forecast to reach RMB250.6 billion, grid RMB214.8 billion, load RMB101.8 billion and storage RMB160.4 billion.

Market Size of Power Equipment and Energy Storage Industry in the PRC, Breakdown by Applications, by Revenue, 2021-2030E



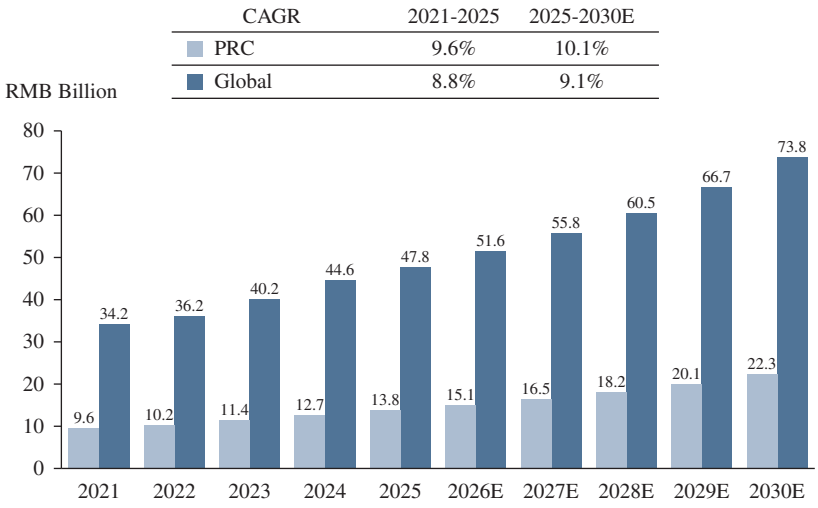
Source: Electric Power Technology Collaboration (EPTC), State Grid Corporation of China, Frost & Sullivan

1.5 Market Size of Integrated Primary-Secondary Circuit Breaker

An integrated primary-secondary circuit breaker is a medium-voltage switching device that integrates interruption, protection, monitoring and communication functions into a single unit, enabling automated switching, digitalised operation and intelligent control in smart distribution systems.

Market size of integrated primary-secondary CB expanded steadily over the historical period. In the PRC, it increased from RMB9.6 billion in 2021 to RMB13.8 billion in 2025, while the Global market rose from RMB34.2 billion to RMB47.8 billion over the same timeframe. Growth during 2021 to 2025 was mainly supported by accelerating distribution-grid automation upgrades and wider adoption of integrated protection units in newly built projects. Looking ahead, the market size of integrated primary-secondary CB is projected to reach RMB22.3 billion in the PRC and RMB73.8 billion globally by 2030.

Market Size of Integrated Primary-Secondary CB, by Revenue, 2021-2030E



Note: The exchange rate used in the report is 1 USD = 7.14 RMB, according to the China Foreign Exchange Trading System.

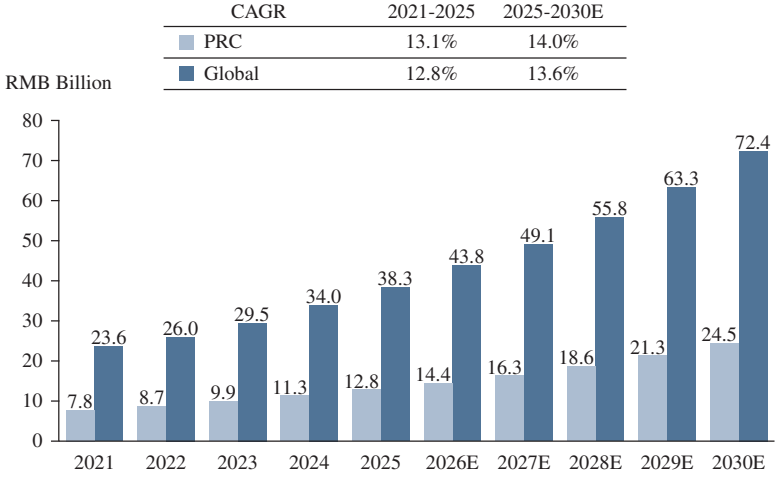
Source: Electric Power Technology Collaboration (EPTC), State Grid Corporation of China, Frost & Sullivan

1.6 Market Size of Ring Main Unit

A ring main unit is a compact medium-voltage switchgear used in distribution networks for feeder switching, line sectionalising and fault isolation, helping improve supply continuity and operational flexibility. Integrated ring main units further enhance monitoring, fault isolation and operation and maintenance efficiency.

The market size for integrated primary-secondary RMU increased from RMB7.8 billion to RMB12.8 billion in the PRC between 2021 and 2025, while the global market expanded from RMB23.6 billion to RMB38.3 billion. Growth during this period was supported by steady upgrades to medium-voltage distribution assets and broader adoption of integrated switchgear solutions. By 2030, the market size is expected to reach RMB24.5 billion in the PRC and RMB72.4 billion in the global market.

Market Size of Ring Main Unit, by Revenue, 2021-2030E



Note: The exchange rate used in the report is 1 USD = 7.14 RMB, according to the China Foreign Exchange Trading System.

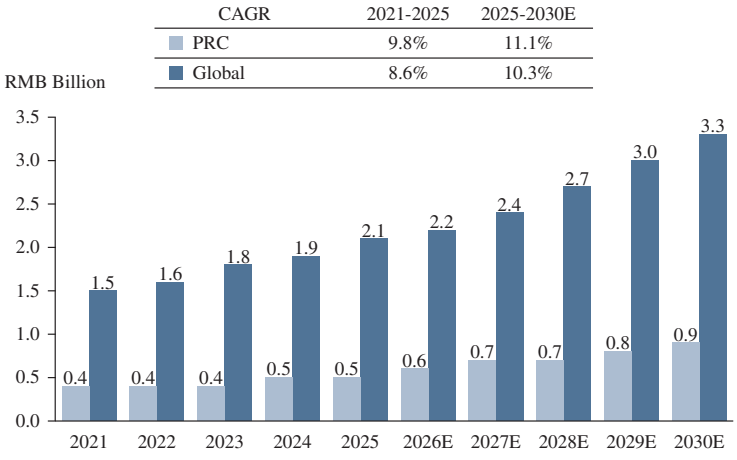
Source: Electric Power Technology Collaboration (EPTC), State Grid Corporation of China, Frost & Sullivan

1.7 Market Size of FTU

A feeder terminal unit (FTU) is a core device within distribution automation systems, deployed along distribution feeders to perform key functions such as fault detection, sectionalising, and service restoration.

The market size for FTU grew from RMB0.4 billion to RMB0.5 billion in the PRC from 2021 to 2025, compared with an increase from RMB1.5 billion to RMB2.1 billion in the global market. Adoption continued to expand as FTUs became more integral to sectionalising, fault localisation and distribution automation schemes. Looking ahead to 2030, the market size is expected to reach RMB0.9 billion in the PRC and RMB3.3 billion in the global market.

Market Size of FTU, by Revenue, 2021-2030E



Note: The exchange rate used in the report is 1 USD = 7.14 RMB, according to the China Foreign Exchange Trading System.

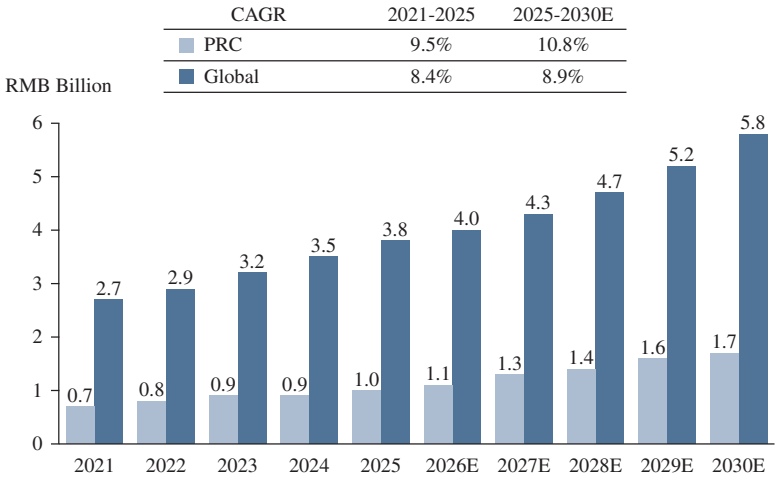
Source: Electric Power Technology Collaboration (EPTC), State Grid Corporation of China, Frost & Sullivan

1.8 Market Size of DTU

A distribution terminal unit (DTU), is an intelligent device used in distribution networks for status acquisition, fault detection, remote control and automated operation. It plays an important role in improving network visibility, fault response and distribution automation.

The market size for DTU rose from RMB0.7 billion to RMB1.0 billion in the PRC between 2021 and 2025, with the global market increasing from RMB2.7 billion to RMB3.8 billion. The expansion reflected continued adoption of feeder automation and enhanced remote-control capability in distribution networks. By 2030, the market size is projected to reach RMB1.7 billion in the PRC and RMB5.8 billion in the global market.

Market Size of DTU, by Revenue, 2021-2030E



Note: The exchange rate used in the report is 1 USD = 7.14 RMB, according to the China Foreign Exchange Trading System.

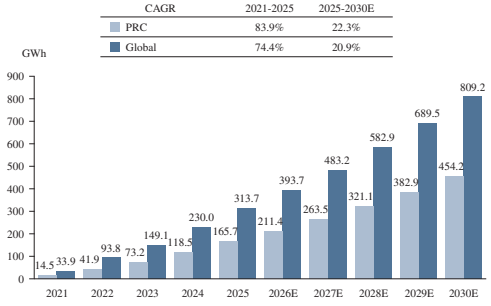
Source: Electric Power Technology Collaboration (EPTC), State Grid Corporation of China, Frost & Sullivan

1.9 Market Size of Lithium-ion Battery Energy Storage System

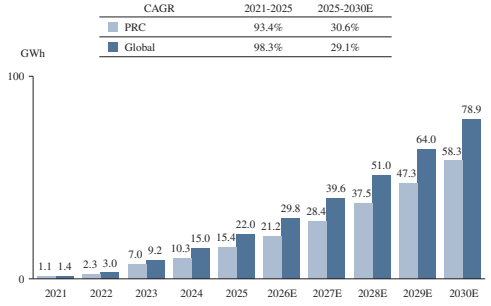
A lithium-ion battery energy storage system is an integrated energy storage system with lithium-ion batteries as the core storage medium, typically comprising battery packs, PCS, EMS, and related auxiliary subsystems for storing and discharging electricity. A C&I lithium-ion battery energy storage system refers to lithium-ion energy storage system deployments serving commercial and industrial users, usually installed on the user side.

In terms of shipment volume, in the PRC, lithium-ion battery energy storage system shipments grew from 14.5 GWh in 2021 to 165.7 GWh in 2025 and are projected to reach 454.2 GWh by 2030, while global shipments increased from 33.9 GWh to 313.7 GWh over 2021 to 2025 and are expected to reach 809.2 GWh by 2030. Over the same period, commercial and industrial lithium-ion battery energy storage system shipments in the PRC increased from 1.1 GWh in 2021 to 15.4 GWh in 2025 and are forecast to reach 58.3 GWh by 2030, while global shipments grew from 1.4 GWh to 22.0 GWh and are projected to reach 78.9 GWh by 2030.

Market Size of Lithium-ion Battery Energy Storage System, by Shipment Volume, 2021-2030E



Market Size of C&I Lithium-ion Battery Energy Storage System, by Shipment Volume, 2021-2030E



Source: CNESA (China Energy Storage Alliance), Frost & Sullivan

1.10 Demand Drivers and Visibility of Power Equipment and Energy Storage Industry

Demand for the Group's power equipment and energy storage solutions primarily comes from (i) power grid operators, whose medium- to long-term investments in grid automation and digitalisation provide relatively high demand visibility; (ii) new energy operators, driven by increasing renewable energy penetration and energy storage deployment; and (iii) commercial and industrial users, driven by demand for energy efficiency, electricity management and distributed energy applications.

While demand may be affected by policy direction, macroeconomic conditions and investment cycles, the long-term trends of energy transition, electrification and grid digitalisation continue to support demand across these customer groups.

1.11 Entry Barrier of Power Equipment and Energy Storage Industry

In the power equipment and energy storage industry, qualification barriers and technological barriers are generally the most relevant barriers to entry. As power equipment and energy storage solutions are closely linked to the safe and stable operation of power systems, suppliers are typically required to meet stringent technical standards, certification requirements and pilot testing procedures before products can be deployed in grid environments. At the same time, the industry involves complex system integration across power electronics, communication technologies and control systems, requiring sustained R&D investment and strong engineering capabilities.

Qualification Barrier

Given the need to ensure the safe and stable operation of power systems, core dispatching and operation systems are typically controlled by large SOEs. New entrants must undergo lengthy testing, pilot and certification processes before participating in grid operations, creating significant qualification barriers.

Technological Barrier

The power equipment and energy storage industry is technology-intensive and involves multiple fields such as power electronics, communication technologies, AI and big data. It requires strong system integration and customised development capabilities across hardware, software and networks. As key technologies continue to evolve, sustained R&D investment and long-term technical accumulation are essential, creating significant technological barriers.

Brand Barrier

For grid operators and large industrial users, system stability and reliability are critical. Customers therefore prefer established brands with strong track records, recognised market reputation and proven project experience. Long-term cooperation with major grid operators has enabled leading players to accumulate qualifications and credibility that are difficult for new entrants to replicate.

Capital Barrier

The power equipment and energy storage industry is capital-intensive, requiring substantial upfront investment in R&D, testing environments and software and hardware platforms. At the same time, major downstream customers such as power grid companies usually have long payment cycles, placing significant pressure on suppliers' working capital and creating capital barriers.

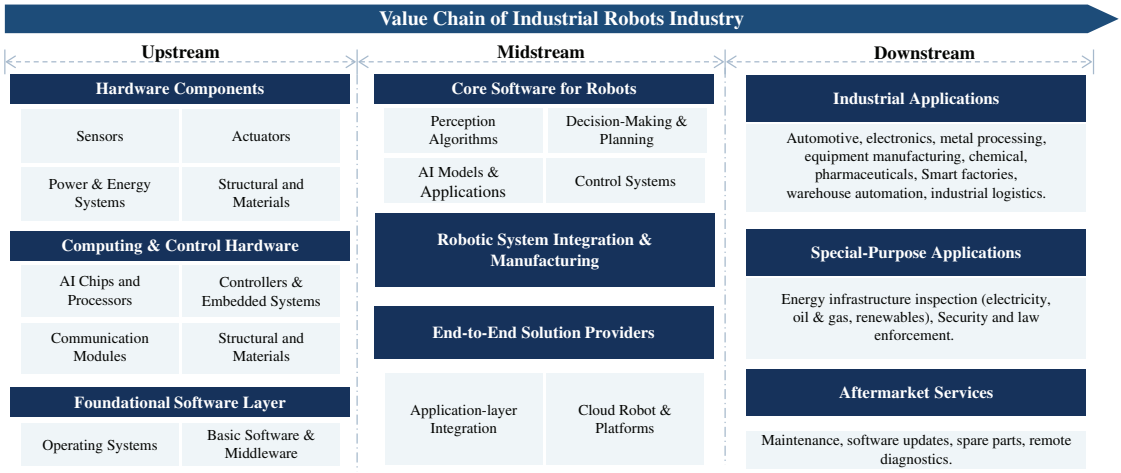
1.12 Threats and Challenges of Power Equipment and Energy Storage Industry

Rapid technological evolution requires continuous product upgrading, while large grid operators and other core customers generally have strong bargaining power and relatively long procurement and payment cycles. In addition, intensifying competition among equipment providers may place pressure on pricing and technological differentiation.

2. OVERVIEW OF INDUSTRIAL ROBOTS INDUSTRY

2.1 Definition

Industrial robots refer to automated equipment used in industrial production that integrates mechanical structures, drive systems, sensing systems and control systems. They are capable of performing programmed or automated operations with high precision, efficiency and consistency, and are widely used in assembly, welding, material handling, warehousing, inspection and other industrial production scenarios. The figure below illustrates its upstream and downstream value chain.



The Group generates revenue from the Robots segment, covering multiple sub-segments including inspection robots, stackers and industrial manipulators. The Group's products are applied in industrial automation and intelligent manufacturing scenarios, supporting functions such as inspection, material handling and flexible production operations, and are aligned with the corresponding application-based segmentation of the industrial robots market.

Source: Frost & Sullivan

2.2 Market Drivers and Future Trends Analysis of Industrial Robots Industry

Flexible Manufacturing Drives Capability Upgrades in Industrial Robots

As manufacturing shifts toward intelligent, digitalised and flexible production, demand for industrial robots is increasing. Compared with conventional automation, such robots offer stronger flexibility, coordination and adaptability through machine vision, AI algorithms and flexible control technologies. By integrating with systems such as MES, ERP and industrial IoT, they help improve equipment utilisation, shorten changeover cycles and support mass customisation.

Workforce Structure Changes Accelerate the Shift Toward Safety-Intelligent Robots

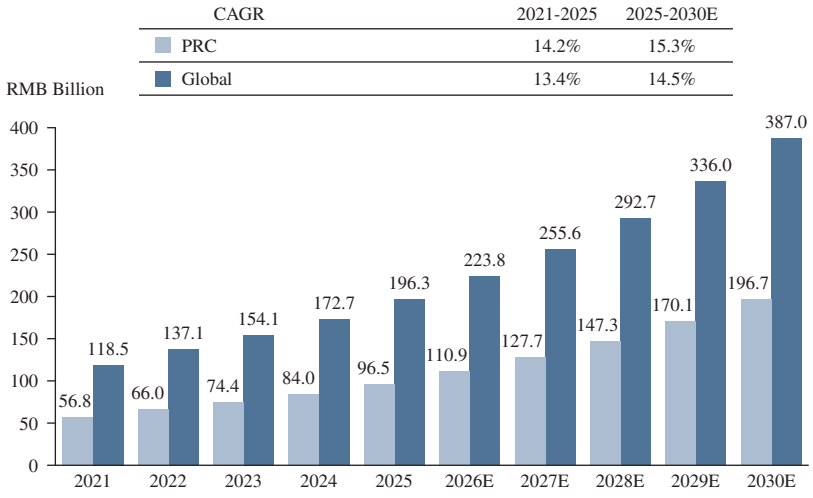
Rising labour costs, demographic changes and declining willingness to undertake repetitive industrial work are accelerating demand for industrial robots in labour-intensive and high-risk tasks. Meanwhile, advances in AI, machine vision, force control, edge computing and collaborative control algorithms are improving their precision, autonomy and safety, supporting broader adoption in more complex production scenarios.

2.3 Market Size of Industrial Robots Industry

From 2021 to 2025, the industrial robots industry achieved rapid growth in both the PRC and global markets. In the PRC, the market size expanded from RMB56.8 billion in 2021 to RMB96.5 billion in 2025, representing a CAGR of 14.2%. Over the same period, the global industrial robots market increased from RMB118.5 billion to RMB196.3 billion, with a CAGR of 13.4%.

Looking ahead, the PRC industrial robots market is expected to reach RMB196.7 billion by 2030, registering a CAGR of 15.3% from 2025 to 2030. During the same period, the global market is projected to grow to RMB387.0 billion, with a CAGR of 14.5%.

Market Size of Industrial Robots Industry, Breakdown by Applications, by Revenue, 2021-2030E



Note: The exchange rate used in the report is 1 USD = 7.14 RMB, according to the China Foreign Exchange Trading System.

Source: International Federation of Robotics (IFR), Frost & Sullivan

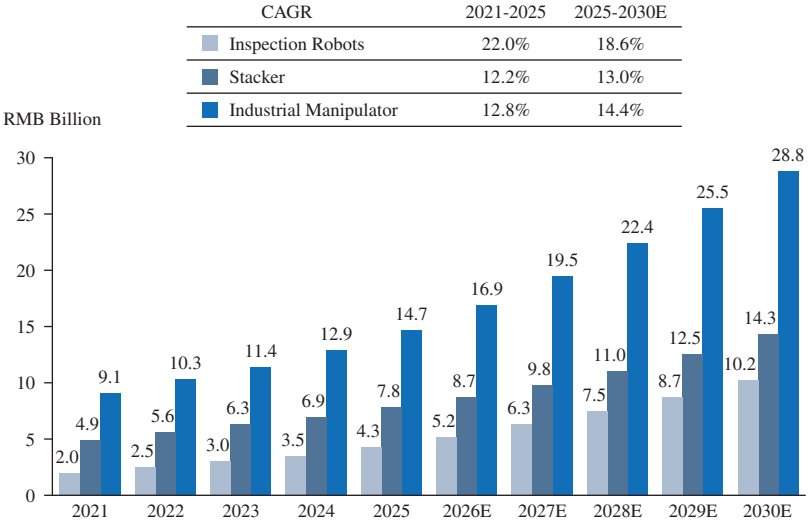
2.4 Market Size of Inspection Robots, Stacker and Industrial Manipulator Industry in the PRC

Across the three segments, Industrial Manipulators remained the largest market throughout 2021 to 2025, rising from RMB9.1 billion to RMB14.7 billion and projected to reach RMB28.8 billion by 2030. This implies a CAGR of 12.8% from 2021 to 2025 and 14.4% from 2025 to 2030.

For Stackers, the market size moved from RMB4.9 billion in 2021 to RMB7.8 billion in 2025, and is expected to reach RMB14.3 billion in 2030, corresponding to CAGRs of 12.2% during 2021 to 2025 and 13.0% during 2025 to 2030.

Inspection Robots started from a smaller base but recorded the fastest historical expansion, increasing from RMB2.0 billion in 2021 to RMB4.3 billion in 2025 with a CAGR of 22.0%, and are forecast to grow further to RMB10.2 billion by 2030 with a CAGR of 18.6% from 2025 to 2030.

Market Size of Inspection Robots, Stacker and Industrial Manipulator Industry in the PRC, by Revenue, 2021-2030E



Source: International Federation of Robotics (IFR), Frost & Sullivan

2.5 Demand Drivers and Visibility of Industrial Robots Industry

Demand for the Group's industrial robots solutions is primarily generated from manufacturing enterprises in the power equipment and lithium battery industries. (i) In the power equipment sector, demand is driven by the need for automated production and quality control in the manufacturing of medium- and low-voltage electrical equipment, supporting the deployment of intelligent production lines and robotic systems. (ii) In the lithium battery sector, demand is mainly supported by capacity expansion and the requirement for high precision, consistency and efficiency in battery cell and module manufacturing, driving the adoption of industrial robots and automation solutions.

Demand visibility in this segment is relatively moderate, as it is influenced by capital expenditure cycles in downstream industries and broader macroeconomic conditions. However, the continued expansion of new energy industries and the upgrading of power equipment manufacturing support sustained demand for automation solutions. While short-term demand may fluctuate with investment cycles, the Group's focus on core application sectors with ongoing structural growth helps enhance revenue resilience and supports its long-term growth prospects.

2.6 Entry Barrier of Industrial Robots Industry

In the industrial robots industry, technological barriers and brand barriers are generally the most relevant barriers to entry. Industrial robots are required to meet demanding standards in precision, stability and scenario-specific adaptability, which requires strong capabilities in core component integration, software-hardware coordination and application-level engineering. At the same time, downstream customers are typically large industrial enterprises with stringent requirements on product reliability, compatibility and after-sales support, making track record and brand credibility important factors in supplier selection.

Technical Barrier

Technical barriers in the industrial robots industry arise from the high degree of specialisation in core technologies and hardware-software integration. Products must meet the specific precision and stability requirements of different industrial scenarios. In addition, the industry requires interdisciplinary talent across mechanics, electronics, AI and industrial applications, creating significant technological and talent barriers for new entrants.

Brand Barrier

Customers in the industrial robots industry are mainly large industrial enterprises with high requirements for equipment stability, compatibility and after-sales support. Brand reputation and track record therefore play a key role in supplier selection. Given the high switching costs associated with commissioning, integration and training, customers usually maintain long-term relationships with existing suppliers, creating significant brand and channel barriers for new entrants.

Capital Barrier

Capital barriers are mainly driven by high R&D costs and long commercialisation cycles. Robotics innovation requires sustained investment across core components, AI algorithms, perception systems and control architectures, while the path from technical validation to certification and mass production often takes several years, creating high capital barriers for new entrants.

2.7 Threats and Challenges of Power Equipment and Energy Storage Industry

Continuous technology iteration requires suppliers to keep upgrading products and adapting them to evolving customer requirements. At the same time, project-based delivery, integration complexity and growing market competition may place pressure on execution efficiency, pricing and product differentiation.

3. COMPETITIVE LANDSCAPE

3.1 Ranking of Integrated Primary-Secondary Circuit Breaker Companies, by Market Share in terms of Revenue in Primary-Secondary Circuit Breaker in the PRC (2025)

Rank	Company	Listed/Unlisted	Market Share
1	Company A[1]	Unlisted	6.5%
2	**The Company**	**Listed**	**3.8%**
3	Company B[2]	Listed	3.4%
4	Company C[3]	Unlisted	3.1%
5	Company D[4]	Listed	2.4%

Notes:

1) It was founded in 1993 and is headquartered in Nanjing, Jiangsu; it is not itself a listed company, but a wholly-owned subsidiary of a company listed on the Shanghai Stock Exchange, and primarily provides power automation and related control system solutions supporting digital and intelligent grid applications.

2) It was founded in 1999 and is headquartered in Pingdingshan, Henan; it is listed on the Shanghai Stock Exchange and primarily engages in the design, manufacturing and sale of high-voltage and ultra-high-voltage power transmission and distribution equipment.

3) It was founded in 1998 and is headquartered in Zhuhai, Guangdong; it is an unlisted company and a controlled subsidiary of a company listed on the Shenzhen Stock Exchange, and primarily focuses on distribution network automation systems and equipment as well as smart distribution and power IoT-related solutions and engineering services.

4) It was founded in 1994 and is headquartered in Yantai, Shandong Province; it is listed on the Shenzhen Stock Exchange and primarily engages in the development, manufacturing and servicing of power automation, digital grid and energy systems and equipment.

5) In 2025, the market size of integrated primary-secondary circuit breaker represented approximately 3.1% of the overall power equipment and energy storage industry in the PRC in terms of revenue.

Source: Annual Reports, Frost & Sullivan

3.2 Ranking of Ring Main Unit Companies, by Market Share in terms of Revenue in Ring Main Unit in the PRC (2025)

Rank	Company	Listed/Unlisted	Market Share
1	Company A	Unlisted	5.5%
2	Company C	Unlisted	4.3%
3	Company E[1]	Unlisted	4.0%
4	Company B	Listed	3.3%
5	Company F[2]	Listed	2.8%
6	**The Company**	**Listed**	**2.6%**

Notes:

1) It was founded in 2006 and is headquartered in Zhuhai, Guangdong; listed on the national equities exchange and quotations, primarily engages in the research, manufacturing and sale of intelligent distribution grid equipment and related integrated power supply solutions and services.

2) It was founded in 2007 and is headquartered in Beijing; it is listed on the Shenzhen Stock Exchange's ChiNext Market and primarily engages in the research, development, manufacturing and sale of smart power distribution equipment, including smart ring main units, intelligent pole-mounted switches and box-type substations.

3) In 2025, the market size of ring main unit represented approximately 2.9% of the overall power equipment and energy storage industry in the PRC in terms of revenue.

Source: Annual Reports, Frost & Sullivan

3.3 Ranking of FTU Companies, by Market Share in terms of Revenue in FTU in the PRC (2025)

Rank	Company	Listed/Unlisted	Market Share
1	Company A	Unlisted	15.2%
2	**The Company**	**Listed**	**14.7%**
3	Company G[1]	Unlisted	8.4%
4	Company H[2]	Listed	6.8%
5	Company I[3]	Listed	6.4%

Notes:

1) It was founded in 1994 and is headquartered in Shanghai, listed on the national equities exchange and quotations, primarily engages in the research and manufacture of digital power-grid equipment products.

2) It was founded in 1994 and is headquartered in Beijing; it is listed on the Shanghai Stock Exchange and primarily engages in the development, manufacturing and servicing of intelligent power equipment products and systems, including relay protection, substation automation and distribution automation.

3) It was founded in 1995 and is headquartered in Nanjing, Jiangsu; it is listed on the Shenzhen Stock Exchange and primarily engages in the development and provision of products and solutions for energy and digital cities.

4) In 2025, the market size of FTU represented approximately 0.1% of the overall power equipment and energy storage industry in the PRC in terms of revenue.

Source: Annual Reports, Frost & Sullivan

3.4 Ranking of DTU Companies, by Market Share in terms of Revenue in DTU in the PRC (2025)

Rank	Company	Listed/Unlisted	Market Share
1	Company A	Unlisted	17.3%
2	Company C	Unlisted	13.8%
3	Company D	Listed	11.2%
4	**The Company**	**Listed**	**7.3%**
5	Company H	Unlisted	6.6%

Notes:

1) In 2025, the market size of DTU represented approximately 0.2% of the overall power equipment and energy storage industry in the PRC in terms of revenue.

Source: Annual Reports, Frost & Sullivan

3.5 Competitive Landscape of Power Equipment and Energy Storage Industry in Middle East

The Middle East energy sector is undergoing a transition marked by rising electricity demand, increasing renewable energy deployment and continued grid modernisation. As solar and wind capacity expands, power systems in the region require stronger distribution automation, protection and control capabilities, which directly supports demand for medium- and low-voltage distribution equipment and power equipment and energy storage solutions. Government strategies such as Saudi Vision 2030 and the UAE Energy Strategy 2050 also promote renewable integration and smart energy infrastructure. These trends are therefore directly relevant to the Group's power equipment and energy storage products, including ring main units, circuit breakers, distribution automation terminals and related control systems.

3.6 Competitive Landscape of Industrial Robots Industry

The industrial robots industry is generally characterised by an intensely competitive and relatively fragmented landscape, with a large number of market participants and only limited overall market concentration despite the presence of leading players with scale advantages. Meanwhile, different sub-segments vary in terms of technical requirements, customer validation cycles and application scenarios, resulting in differences in competitive dynamics and market concentration. Overall, market participants tend to build competitive positions around their focused product categories and application scenarios, and compete primarily on product performance, scenario adaptability, system integration capability and delivery experience.

3.7 Competitive Landscape of AIDC-related HVDC Power Supply and Distribution Products

Competitive Landscape

Market participants in AIDC-related high-voltage direct current ("HVDC") power supply and distribution products mainly include power transmission and distribution equipment manufacturers, data center power system providers, power electronics companies and specialized HVDC/solid state transformer ("SST") technology providers. Market participants primarily compete on conversion efficiency, power density, system reliability, equipment compatibility, system integration, customer certification and project delivery capabilities. Given AIDCs' stringent requirements for power supply reliability, operational safety and energy efficiency, players with established technology and project delivery capabilities generally possess competitive advantages. Competition is expected to intensify as market participants continue to invest in relevant technologies and products.

Market Prospects

The rapid development of generative AI and high-performance computing is driving growth in AIDC construction and electricity demand. As server rack power density increases, conventional AC power architectures face increasing challenges in conversion efficiency, equipment footprint, cable capacity and heat dissipation.

HVDC architectures can reduce power conversion processes and improve power supply efficiency, power density and system controllability, supporting the potential application of HVDC systems and SSTs in next-generation AIDCs. However, market adoption remains subject to technical standards, customer certification, equipment compatibility, costs and operating performance.

Risks and Challenges

The development of the AIDC-related HVDC and SST market is subject to uncertainties arising from macroeconomic conditions, computing demand, regulatory policies and customer investment plans. Market adoption may also be affected by evolving technical standards, compatibility requirements, customer preferences and costs. Given the stringent reliability, safety and energy efficiency requirements of AIDCs, relevant products generally require extensive testing, system verification and customer certification, and failure to meet technical or customer requirements may delay commercialization and market adoption.

Market participants are also exposed to substantial R&D requirements, relatively long commercialization cycles, rapid technological evolution and intensifying competition, which may result in pricing pressure or technological obsolescence. Fluctuations in the price and availability of key components may further affect production costs, delivery and profitability.

REGULATIONS AND POLICIES PERTAINING TO THE RELEVANT INDUSTRY

Pursuant to the Energy Law of the People's Republic of China (《中華人民共和國能源法》) promulgated by the Standing Committee of the National People's Congress on November 8, 2024 and came into effect from January 1, 2025, the state shall accelerate the development of a new-type power system, enhance the coordinated construction of power generation and power grids, advance the intelligent transformation of power grid infrastructures and the construction of smart microgrids, and improve the power grid's capacity to accommodate, allocate, and regulate renewable energy.

Pursuant to the Basic Rules for the Operation of the Electricity Market (《電力市場運行基本規則》), which was issued by the National Development and Reform Commission on April 25, 2024 and came into effect from July 1, 2024, overall institutional arrangements are laid down for electricity market participants, transaction types and methods, electrical energy transactions, ancillary power service transactions, electrical energy metering and settlement, system security, and market risk prevention and control.

Pursuant to the Implementation Opinions of the General Office of the State Council on Improving the National Unified Power Market System (《國務院辦公廳關於完善全國統一電力市場系統的實施意見》) issued by the General Office of the State Council on February 8, 2026 and came into effect on the same date, a fully-fledged national unified power market system shall be established by 2035, with further matured and improved market functions, and the proportion of market-based traded electricity volume growing steadily on a solid foundation. Trans-provincial and trans-regional transactions will be organically integrated with intra-provincial transactions, and the multi-dimensional values of power resources, including electrical energy, regulation, environmental benefits and capacity, will be fully reflected by the market. Power resources will realize comprehensive optimized allocation and efficient utilization across the country, and a national unified energy market system centered on power and featuring coordinated complementation of multiple energy sources will take initial shape.

Pursuant to the 15th Five-Year Plan for the Construction of a New-type Power System (《新型電力系統建設「十五五」規劃》) issued by the National Development and Reform Commission and the National Energy Administration on July 21, 2026 and came into effect on the same date, a new-type of power grid that is safe, reliable, green, low-carbon, robust, resilient, smart and flexible will be initially built by 2030. The power grid will give full play to its role as a resource allocation platform and its service functions, realize high-level accommodation of over 2.8 billion kilowatts of new energy, and build a charging infrastructure network capable of supporting the travel of more than 110 million electric vehicles. Breakthroughs will be made in key technical equipment supporting the new-type power system, and a smart, green and integrated power industry system will be substantially formed. The institutions and mechanisms for the new-type power system will be further improved, and the national unified power market system will be basically completed.

Pursuant to the "15th Five-Year" Plan for Renewable Energy Development (《可再生能源發展「十五五」規劃》) issued by the National Development and Reform Commission and the National Energy Administration on July 6, 2026 and came into effect on the same date, support is provided for the development of new business models such as source-grid-load-storage integration, direct green power connection, and smart microgrids, with the aim of enhancing self-balancing capabilities. A number of zero-carbon factories and zero-carbon parks with a high level of renewable energy consumption are to be established.

Pursuant to the Energy-Saving and Carbon-Reduction Action Plan for the Energy Sector (2026-2028) under the "15th Five-Year" Plan for the Construction of a New Energy System (《新型能源體系建設「十五五」規劃能源領域節能降碳行動計畫(2026–2028年)》) issued by the National Energy Administration on June 26, 2026 and came into effect on the same date, efforts shall be made to vigorously develop new energy storage, explore long-duration energy storage applications, increase the scale of inter-provincial renewable energy mutual-aid trading, and continuously raise the proportion of renewable energy in total electricity generation. The construction, renovation and smart upgrading of distribution networks shall be strengthened to enhance their comprehensive carrying capacity for new types of entities such as distributed renewable energy sources. New business models for the local consumption of renewable energy, including direct green power connection, smart microgrids, source-grid-load-storage integration, and renewable energy access to incremental distribution networks, shall be actively developed to expand the application space for green electricity.

Pursuant to the Work Plan for Stabilizing Growth of the Power Equipment Industry (2025-2026) (《電力裝備行業穩增長工作方案(2025-2026年)》) jointly issued by the Ministry of Industry and Information Technology and other relevant departments on August 6, 2025, and came into effect on the same date, China is accelerating the development of a new-type power system, which is generating robust demand in the power equipment industry, and placing the industry in a favorable position for steady growth overall. The main objectives for 2025-2026 are as follows: the average annual revenue growth rate of traditional power equipment shall remain at around 6%, while the revenue from new energy equipment shall achieve steady growth; the output of power generation equipment shall be kept within a reasonable range with its supply effective security of supply, and the export volume of new energy equipment shall increase; the leading role of key regions and key enterprises shall be strengthened, with the average annual revenue growth rate of national advanced manufacturing clusters in the power equipment sector reaching around 7% and that of leading enterprises hitting around 10%; and efforts will be made to achieve breakthroughs in, and the large-scale promotion of, a number of flagship equipment.

According to the Action Plan for Accelerating Green, Low-Carbon, and Innovative Development of Power Equipment (《加快電力裝備綠色低碳創新發展行動計劃》) jointly issued by the Ministry of Industry and Information Technology and other relevant departments on August 24, 2022 and came into effect on the same date, within five to eight years, the supply structure of power equipment will be significantly optimized, the efficiency of power transmission and distribution across grid will be notably improved. The advancement and demonstration of high-end, intelligent, and green development will continue to accelerate, while international competitiveness will be further strengthened. By then, the power equipment sector is expected to basically meet the requirements for building a new-type power system capable of accommodating a high proportion and large-scale integration of non-fossil energy sources.

According to the Opinions of the General Office of the CPC Central Committee and the General Office of the State Council on Promoting the Development of New Urban Infrastructure and Building Resilient Cities (《中共中央辦公廳國務院辦公廳關於推進新型城市基礎設施建設打造韌性城市的意見》) issued by the General Office of the CPC Central Committee and the General Office of the State Council on November 26, 2024 and came into effect on the same date, efforts will be made to promote the application of automated construction machinery, construction robots, three-dimensional (3D) printing equipment, and other advanced technologies in new urban infrastructure projects. Accelerated progress will be pursued in developing city-level intelligent sensing platforms, strengthening the integration of multi-source information, and expanding the application of Building Information Modeling (BIM) and related technologies to enhance urban operations, management, and service capabilities.

According to the Upgraded Implementation Plan of the 'Sailing' Initiative for Large-Scale Application of 5G (《5G規模化應用"揚帆"行動升級方案》) jointly issued by the Ministry of Industry and Information Technology and other relevant departments on November 22, 2024 and came into effect on the same date, efforts will be made to advance the research, development, and application of 5G-enabled intelligent robots, smart mobile terminals, cloud-based devices, and other advanced equipment. The large-scale deployment of 5G-powered applications, such as intelligent inspection systems and distributed energy management, will be accelerated. In addition, the integration of 5G technology with logistics terminals, including Automated Guided Vehicles (AGVs) and Rail-Guided Vehicles (RGVs), will be further advanced.

According to the Implementation Plan for the Digital Transformation of the Power Equipment Manufacturing Industry (《電力裝備製造業數字化轉型實施方案》) issued by the Ministry of Industry and Information Technology on September 5, 2024 and came into effect on the same date, efforts will be made to accelerate the upgrading and retrofitting of manufacturing equipment. This includes promoting the intelligent transformation and upgrades of CNC machine tools and basic manufacturing equipment, additive manufacturing equipment, industrial robots, industrial control systems, and sensing and testing equipment. The deployment and application of in-factory autonomous vehicles, inspection robots, and other intelligent equipment will also be advanced to enhance the perception, decision-making, and execution capabilities throughout the production process.

According to the Industrial Robot Industry Standards (2024 Edition) (《工業機器人行業規範條件(2024版)》) and the Implementation Measures for the Management of Industrial Robot Industry Standards (2024 Edition) (《工業機器人行業規範條件管理實施辦法(2024版)》) issued by the Ministry of Industry and Information Technology on July 29, 2024, and came into effect on August 1, 2024, efforts will be made to accelerate the advancement of new-type industrialization, further strengthen standardized management in the industrial robot industry, and promote the sector's high-quality development.

REGULATIONS ON COMPANIES

According to the Company Law of the People's Republic of China (2023 Revision) (《中華人民共和國公司法(2023修訂)》) promulgated by the Standing Committee of the National People's Congress on December 29, 2023, and came into effect on July 1, 2024, companies in the PRC are generally categorized into two types: limited liability companies and joint-stock limited companies.

REGULATIONS ON FOREIGN INVESTMENT

According to the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) promulgated by the National People's Congress on March 15, 2019, and came into effect on January 1, 2020, as well as the Implementing Regulations of the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) issued by the State Council on December 26, 2019, and came into effect on January 1, 2020, China applies a pre-establishment national treatment system combined with a negative list approach for the management of foreign investment. China grants national treatment to foreign investment not included in the negative list. The state encourages and promotes foreign investment, protects the legitimate rights and interests of foreign investors, regulates the administration of foreign investment, continuously improves the foreign investment environment, and advances a higher level of opening-up. The negative list for foreign investment access shall be formulated by the investment authority under the State Council in conjunction with the Ministry of Commerce and other relevant departments. It shall be issued by the State Council, or by investment and commerce authorities under the State Council upon approval by the State Council.

According to the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024版)》) jointly issued by the National Development and Reform Commission and the Ministry of Commerce on September 6, 2024, and came into effect on November 1, 2024, the industry in which the company operates is not among those prohibited or restricted for foreign investment.

REGULATIONS ON OVERSEAS INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment (2014) (《境外投資管理辦法(2014)》), promulgated by the Ministry of Commerce on September 6, 2014, and came into effect on October 6, 2014, the Ministry of Commerce and the provincial-level commerce authorities shall implement a filing or approval management system for overseas investment by enterprises, depending on the specific circumstances of the investment. Overseas investments involving any sensitive countries or regions, or any sensitive industries, shall be subject to approval management. Other circumstances of overseas investment shall be subject to filing management.

According to the Measures for the Administration of Overseas Investment by Enterprises (《企業境外投資管理辦法》) issued by the National Development and Reform Commission on December 26, 2017, and came into effect on March 1, 2018, investment entities engaging in overseas investment shall fulfill required procedures such as approval or filing for their overseas investment projects, report relevant information, and cooperate with supervision and inspections. Sensitive projects carried out by investors directly or through overseas enterprises controlled by them shall be subject to approval; non-sensitive projects directly carried out by investors, namely, the non-sensitive projects involving investors' direct investment of assets and equities or the provision of financing or guarantees shall be subject to filing.

REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the People's Republic of China (2018 Amendment) (《中華人民共和國產品質量法(2018修正)》) promulgated by the Standing Committee of the National People's Congress on December 29, 2018, and came into effect on the same date, producers and sellers shall establish and improve their internal product quality management systems and strictly implement position-specific quality standards, quality responsibilities, and corresponding evaluation mechanisms. The state encourages the adoption of scientific quality management methods and advanced scientific technologies, and supports enterprises in achieving, and even surpassing industry, national, and international standards in product quality.

REGULATIONS ON BIDDING AND GOVERNMENT PROCUREMENT

According to the Bidding Law of the People's Republic of China (2017 Amendment) 《中華人民共和國招標投標法(2017修正)》 promulgated by the Standing Committee of the National People's Congress on December 27, 2017 and came into effect on December 28, 2017, the following construction projects within the territory of the People's Republic of China, including the survey, design, construction, and supervision of such projects, as well as the procurement of important equipment and materials related to the construction works, must undergo tender procedures: (i) large-scale infrastructure and public utility projects that involve public interest or public safety; (ii) projects wholly or partly financed by state-owned funds or state financing; and (iii) projects using loans or assistance funds from international organisations or foreign governments. The specific scope and scale thresholds for the projects listed above shall be formulated by the State Council's development and planning department in conjunction with relevant departments under the State Council, and reported to the State Council for approval. Where laws or the State Council have provisions on the scope of other projects that must be tendered, such provisions shall prevail.

REGULATIONS ON HOUSING LEASE REGISTRATION

According to the Urban Real Estate Administration Law of the People's Republic of China (2019 Amendment) 《中華人民共和國城市房地產管理法(2019修正)》 promulgated by the Standing Committee of the National People's Congress on August 26, 2019 and came into effect on January 1, 2020, for house leasing, the lessor and lessee shall enter into a written lease contract stipulating terms such as the lease term, purpose of lease, rental price, maintenance responsibilities, as well as other rights and obligations of both parties, and shall register the lease with the real estate administration authority.

According to the Administrative Measures for Commercial House Leasing 《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 came into effect on February 1, 2011, within 30 days after the execution of a house lease contract, the parties to the lease shall complete the registration of the lease with the construction (real estate) authority of the municipality, city, or county government where the leased house is located. Failure to comply may result in an order from the relevant construction (real estate) authority to rectify within a specified period. If an entity fails to rectify within the time limit, a fine ranging from RMB1,000 to RMB10,000 may be imposed.

REGULATIONS ON IMPORT AND EXPORT OF GOODS

According to the Foreign Trade Law of the People's Republic of China (2025 Amendment) (《中華人民共和國對外貿易法(2025修訂)》) amended by the Standing Committee of the National People's Congress on December 27, 2022, and came into effect on March 1, 2026, as well as the Regulations of the People's Republic of China on the Administration of Import and Export of Goods (2024 Revision) (《中華人民共和國貨物進出口管理條例(2024修訂)》) issued by the State Council on March 10, 2024, and came into effect on May 1, 2024, the state permits the free import and export of goods and safeguards fair and orderly trade in imported and exported goods in accordance with the law. Except where explicitly prohibited or restricted by laws or administrative regulations, no entity or individual may establish or maintain measures that prohibit or restrict the import or export of goods.

According to the Customs Law of the People's Republic of China (2021 Amendment) (《中華人民共和國海關法(2021修正)》) promulgated by the Standing Committee of the National People's Congress on April 29, 2021, and came into effect on the same date, consignors and consignees of imported or exported goods, as well as customs declaration enterprises, shall register with the customs authorities in accordance with the law when handling customs clearance procedures.

REGULATIONS ON WORK SAFETY

According to the Work Safety Law of the People's Republic of China (2021 Amendment) (《中華人民共和國安全生產法(2021修正)》) promulgated by the Standing Committee of the National People's Congress on June 10, 2021, and came into effect on September 1, 2021, production and business entities shall abide by this Law and other laws and regulations concerning work safety, strengthen work safety management, establish and improve a work safety responsibility system and work safety rules and systems for all employees.

REGULATIONS ON FIRE PREVENTION

According to the Fire Prevention Law of the People's Republic of China (2021 Amendment) (《中華人民共和國消防法(2021修正)》) issued by the Standing Committee of the National People's Congress on April 29, 2021, and came into effect on the same date, the emergency management department under the State Council shall exercise supervision and administration over fire prevention work nationwide. Emergency management departments of local people's governments at or above the county level shall supervise and administer fire prevention work within their respective administrative regions, which shall be carried out by the fire rescue agencies of the corresponding level of people's government. Upon completion of a construction project that is required to apply for fire control acceptance inspection by the competent department of housing and urban-rural development under the State Council, the construction entity shall apply to the competent department of housing and urban-rural development for fire control acceptance inspection. For construction projects other than those specified in the preceding paragraph, the construction entity shall report to the competent department of housing and urban-rural development for filing after the acceptance, and the competent department of housing and urban-rural development shall conduct spot checks. Construction projects which are subject to fire control acceptance inspection according to law shall not be put into use without fire control acceptance inspection or failing to pass fire control acceptance inspection. Other construction projects which fail to pass the legal spot checks shall cease to be used.

REGULATIONS ON ENVIRONMENTAL PROTECTION

According to the Ecological and Environmental Code of the People's Republic of China (《中華人民共和國生態環境法典》) promulgated by the SCNPC on March 12, 2026 and came into effect on August 15, 2026, all entities and individuals have the obligation to protect the environment. Enterprises, public institutions and other business operators shall take effective measures to prevent and reduce environmental pollution and ecological damage, use resources sparingly and efficiently, control greenhouse gas emissions, fulfil their obligations regarding green and low-carbon development, and bear legal responsibility for any damage caused.

According to the Ecological and Environmental Code of the People's Republic of China (《中華人民共和國生態環境法典》) promulgated by the SCNPC on March 12, 2026 and came into effect on August 15, 2026, and the Regulations on the Administration of Construction Project Environmental Protection (2017 Revision) (《建設項目環境保護管理條例(2017修訂)》) promulgated by the State Council on July 16, 2017 and came into effect on October 1, 2017, a construction entity shall compile an environmental impact report, an environmental impact statement or complete an environmental impact registration form in accordance with the following requirements: (1) if the construction project may result in a material impact on the environment, an environmental impact report should be compiled to thoroughly assess the resulting environmental impact; (2) if the construction project may result in slight impact on the environment, an environmental impact statement should be compiled to analyze or conduct a project-based

assessment on the resulting environmental impact; (3) if the construction project may only result in minimal impact on the environment and no environmental impact assessment is required, a registration form of environmental impact should be completed for submission. After approval of the environmental impact assessment document for the construction project has been granted, if significant changes occur in the nature, scale, location, production techniques adopted or measures to prevent pollution or ecological damage of the construction project, the construction entity shall re-submit the environmental impact assessment document of the construction project for approval. If the environmental impact assessment document of the construction project has not been examined by the approval authority in accordance with the law or have not been approved following such examination, or have not been re-examined and approved by the original approval authority, the construction entity shall not commence construction.

According to the Regulations on the Administration of Pollutant Discharge Licensing (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and came into effect on March 1, 2021, and the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) issued by the Ministry of Ecology and Environment on April 1, 2024 and came into effect on July 1, 2024, enterprises, public institutions and other producers and operators which are subject to pollutant discharge licensing management as stipulated by laws must apply for and obtain pollutant discharge licences in accordance with the Regulations; discharging pollutants is prohibited without obtaining such licence. Pollutant discharging entities are managed by pollutant discharge licensing categories depending on factors such as the volume of pollutant generation, the volume of emissions and the significance of environmental impact: (1) pollutant discharging entities with greater volume of pollutant generation, emissions or environmental impact are subject to focused management on licensing of pollutant discharge; (2) pollutant discharging entities with smaller volume of pollutant generation, emissions or environmental impact are subject to simplified management on licensing of pollutant discharge. Enterprises, public institutions and other producers and operators which are required to complete the registration form of environmental impact for submission shall complete the registration for pollutant discharge on the information platform of the State for administration of pollutant discharge licensing.

REGULATIONS ON CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

Cybersecurity and Data Security

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), which became effective on June 1, 2017 and amended on January 1, 2026, aiming to protect the security and order of cyberspace. The Cybersecurity Law defines "network" as a system composed of computers or other information terminals and related equipment that collects, stores, transmits, exchanges and processes information according to certain rules and procedures. It also defines "network operators" as network owners and managers, and network service providers. According to the Cybersecurity Law, network operators are obligated to undertake multiple security protection-related obligations, including: (i) fulfilling security protection obligations in accordance with the protection requirements of the cybersecurity classification system, including formulating internal security management systems and operational procedures, designating persons responsible for cybersecurity, implementing cybersecurity protection responsibilities, taking technical measures to prevent cybersecurity behaviors such as computer viruses, network attacks and network intrusions, taking technical measures to monitor and record network operation status and cybersecurity incidents, retaining relevant network logs for no less than six months as required, and taking measures such as data classification, as well as important data backup and encryption; and (ii) formulating emergency plans for cybersecurity incidents, promptly addressing security risks such as system vulnerabilities, computer viruses, network attacks and network intrusions; immediately activating emergency plans in the event of cybersecurity incidents, taking corresponding remedial measures, and reporting to relevant competent authorities as required. Network operators who fail to comply with the Cybersecurity Law may be ordered to suspend relevant businesses, halt operations for rectification, shut down websites, revoke relevant business licenses, or revoke business licenses. If a crime is constituted, they shall be held criminally responsible according to law.

On June 10, 2021, the SCNPC promulgated 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**"), which became effective on September 1, 2021. The Data Security Law defines "data" as any record of information in electronic or other forms and defines "data processing" as the collection, storage, use, processing, transmission, provision, and disclosure of data. The Data Security Law stipulates that when relevant entities are conducting data processing activities, they should establish a sound full-process data security management system as per legal and regulatory requirements, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. Additionally, the Data Security Law introduces a data classification system and a graded protection system. Appropriate levels of protection measures must be taken for various types of data. Those violating the Data Security Law may result in being ordered to make corrections, receiving warnings, suspending relevant businesses, halting operations for rectification, revoking relevant business licenses, or revoking business licenses. The relevant responsible persons or other directly responsible persons may also be fined. If a crime is constituted, they shall be held criminally responsible according to law. According to the Data Security Law, violators may be fined up to RMB10 million.

According to the Administrative Measures for Data Security in the Field of Industry and Information Technology (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》) (the "**MIIT Data Security Measures**") promulgated by the MIIT on December 8, 2022, and effective on January 1, 2023, data processing activities in the field of industry and information technology as conducted within the territory of the People's Republic of China must abide by these Measures. These activities include the collection and generation of data during research and development, production and manufacturing, operation management, operation and maintenance, as well as platform operation in the industrial field. The MIIT Data Security Measures stipulate that industrial and telecommunications data handlers must implement data classification and grading, specify data security obligations and responsibilities for data handlers in the field of industry and information technology, including taking protection measures according to the corresponding data level, establishing a management system covering the entire data lifecycle, and appointing data security management personnel as needed to oversee the safety supervision and management of data processing activities, and to assist industry regulatory authorities in carrying out related work.

On September 24, 2024, the State Council issued the Regulations on the Security Management of Network Data (《網絡數據安全管理條例》) (the "**Regulations on Network Data**"), which became effective on January 1, 2025. The Regulations on Network Data reiterate and clarify specific requirements on the data processing activities conducted by data handlers from the aspects of personal information protection, important data security, cross-border security management of network data, and obligations of network platform service providers.

Personal Information Protection and Cross-border Data Transfer

Pursuant to the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "**Civil Code**") promulgated by the National People's Congress on May 28, 2020, and which became effective on January 1, 2021, the personal information and privacy of natural persons is protected by law. Any organization or individual that needs to obtain the personal information of others should do so in accordance with the law and ensure information security, but they must not illegally collect, use, process, transmit, trade, provide or publicly disclose the personal information of others.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), which became effective on November 1, 2021. The Personal Information Protection Law stipulates legal basis (such as consent) under which personal information handlers can process personal information and the requirements for these circumstances. No organization or individual may illegally collect, use, process, transmit, trade, provide or publicly disclose the personal information of others, and they must not engage in personal information processing activities that endanger national security or public interest.

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 "**Provisions on Cross-Border Data Flow**"), which raises certain thresholds for cross-border data transfer and alleviates certain compliance burden for data and personal information handlers.

REGULATIONS ON INTELLECTUAL PROPERTY

According to the Patent Law of the People's Republic of China (2020 Amendment) (《中華人民共和國專利法(2020修正)》) promulgated by the SCNPC on October 17, 2020 and came into effect on June 1, 2021, and the Rules for the Implementation of the Patent Law of the People's Republic of China (2023 Revision) (《中華人民共和國專利法實施細則(2023修訂)》) promulgated by the State Council on December 11, 2023 and came into effect on January 20, 2024, patents in the PRC are categorized into invention patents, utility model patents and design patents. Commencing from the date of application, the duration of patent rights for invention patents, utility model patents and design patents are twenty years, ten years and fifteen years, respectively. No person may use the patent without licensing or authorization of the patentee.

According to the Trademark Law of the People's Republic of China (2019 Amendment) (《中華人民共和國商標法(2019修正)》) promulgated by the SCNPC on April 23, 2019 and came into effect on November 1, 2019, and the Regulation on the Implementation of the Trademark Law of the People's Republic of China (2014 Revision) (《中華人民共和國商標法實施條例(2014修訂)》) promulgated by the State Council on April 29, 2014 and came into effect on May 1, 2014, trademarks approved by and registered with the Trademark Office are registered trademarks, including commodity marks, service marks, collective marks and certification marks. The valid period of a registered trademark is ten years, commencing from the date of approval for registration. For continuous use of the registered trademark, the trademark registrant is required to apply for renewal within twelve months before the expiry date of the valid period. The valid period for each renewal of registration is ten years, commencing from the date immediately following the expiration of the previous valid period of the trademark.

According to the Copyright Law of the People's Republic of China (2020 Amendment) (《中華人民共和國著作權法(2020修正)》) promulgated by the SCNPC on November 11, 2020 and came into effect on June 1, 2021, works of PRC citizens, legal persons or unincorporated organizations, whether published or not, shall enjoy copyrights.

According to the Regulation on Computers Software Protection (2013 Revision) (《計算機軟件保護條例(2013修訂)》) promulgated by the State Council on January 30, 2013 and came into effect on March 1, 2013, software copyright holders may register with the software registration institution recognized by the copyright administration and management authority of the State Council. Software copyright holders may license others to use their software copyright and are entitled to receive compensation. Software copyright holders may transfer their software copyright wholly or partially and are entitled to receive compensation.

REGULATIONS ON LABOR, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

According to the Labor Contract Law of the People's Republic of China (2012 Amendment) (《中華人民共和國勞動合同法(2012修正)》) promulgated by the SCNPC on December 28, 2012 and came into effect on July 1, 2013, and the Regulation on the Implementation of the Labor Contract Law of the People's Republic of China (《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 date, labor contracts shall be entered into in writing if employment relationships are to be established. If employment relationship is established without entering into a labor contract in writing at the same time, a labor contract in writing shall be signed within one month from the date of commencing employment. For labor contracts signed between employer and employee before the date of commencing employment, the employment relationship shall be established on the date of commencing employment.

According to the Social Insurance Law of the People's Republic of China (2018 Amendment) (《中華人民共和國社會保險法(2018修正)》) promulgated by the SCNPC on December 29, 2018 and came into effect on the same date, and the Interim Regulation on the Collection and Payment of Social Insurance Premiums (2019 Revision) (《社會保險費徵繳暫行條例(2019修訂)》) promulgated by the State Council on March 24, 2019 and came into effect on the same date, employer and employees within the PRC shall contribute payment of social insurance premiums in accordance with the law, are entitled to make enquiries on the records of payment and personal rights and interests, and request the social insurance agencies to provide social insurance consultation and related services. The paying entity and individual shall contribute payment of social insurance premiums in full as scheduled. If the employer fails to pay social insurance premiums in full in a timely manner, the social insurance premium collection agency shall order the employer to make payment in full or make up the amount within a prescribed time limit plus a daily late payment charge of 0.05% from the date of default payment; if no payment is made after the prescribed time limit, the relevant administration authority shall impose a fine of an amount between 100% and 300% of the amount in default.

According to the Interpretation (II) by the Supreme People's Court of 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)》) promulgated by the Supreme People's Court on July 31, 2025 and came into effect on September 1, 2025, where an employer and an employee agree, or the employee promises to the employer, that no social insurance premiums need to be paid, the people's court shall determine such agreement or promise as invalid. Where an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and demands the employer to pay economic compensation pursuant to Item 3 of Article 38 of the Labor Contract Law, the people's court shall support such request in accordance with the law. Under the circumstances stipulated in the preceding paragraph, where the employer requests the employee to return the social insurance compensation already paid after the employer has made up the payment of social insurance premiums in accordance with the law, the people's court shall support such request in accordance with the law.

According to the Administrative Regulations on the Housing Provident Fund (2026 Revision) (《住房公積金管理條例(2026修訂)》), as last amended by the State Council on August 10, 2026 with effect from September 20, 2026, entities are required to complete the registration of contribution to the housing provident fund with the housing provident fund management center, and the procedures for opening housing provident fund accounts for their employees. Each employee may have only one housing provident fund account. Newly established entities shall register with the housing provident fund management center within 30 days of incorporation to complete the registration of contribution to the housing provident fund, and shall open housing provident fund accounts for their employees within 20 days after registration. If an entity fails to complete the registration of contribution to the housing provident fund with the housing provident fund management center or fails to open housing provident fund accounts for their employees, the housing provident fund management center shall have the power to order the entity to complete such procedures within a prescribed time limit. If the entity still fails to complete the procedures, a fine between RMB10,000 and RMB50,000 may be imposed. If an entity fails to make contributions to the housing provident fund in full or still has outstanding payment, the housing provident fund management center shall have the power to order the entity to make up the payment within a prescribed time limit; if payment is still outstanding after the prescribed time limit, an application may be made to the people's court for mandatory enforcement.

REGULATIONS ON ENTERPRISE INCOME TAX AND VALUE-ADDED TAX

According to the Enterprise Income Tax Law of the People's Republic of China (2018 Amendment) (《中華人民共和國企業所得稅法(2018修正)》) promulgated by the SCNPC on December 29, 2018 and came into effect on the same date, and the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (2024 Revision) (《中華人民共和國企業所得稅法實施條例(2024修訂)》) promulgated by the State

Council on December 6, 2024 and came into effect on January 20, 2025, a resident enterprise means an enterprise established within the PRC in accordance with the laws, or established in accordance with any laws of a foreign country or region but with an actual management entity within the PRC. A resident enterprise is subject to EIT at the tax rate of 25% for any income generated within or outside the PRC. Qualified small low-profit enterprises may be subject to a lower EIT tax rate of 20%. High-tech enterprises in need of key support from the State may enjoy a reduced EIT rate of 15%.

According to the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值税法》) promulgated by the SCNPC on December 25, 2024 and came into effect on January 1, 2026, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, immovables, and import goods within the territory of the PRC are taxpayers of value-added tax (VAT) and shall pay VAT.

REGULATIONS ON FOREIGN EXCHANGE

According to the Regulation of the People's Republic of China on Foreign Exchange Administration (2008 Revision) (《中華人民共和國外匯管理條例(2008修訂)》) promulgated by the State Council on August 5, 2008 and came into effect on the same date, foreign exchange receipts and payments of current accounts shall have an authentic and legal transaction basis. Foreign exchange payments of current accounts shall be made using the payer's own foreign currency or foreign currency purchased from financial institutions engaging in the business of foreign exchange settlement and foreign currency sales by producing the valid document pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies. Domestic entities and individuals that make overseas direct investments, or engage in the issuance and trading of overseas marketable securities and derivative products, shall complete the registration procedure in accordance with the requirements of the foreign exchange administrative authority of the State Council.

According to the Notice on Issues Concerning the Administration of Funds for Overseas Listing of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》) promulgated by the People's Bank of China and the State Administration of Foreign Exchange on December 24, 2025, which will take effect on April 1, 2026, a domestic enterprise conducting an overseas listing shall, within 30 working days from the first trading date of the overseas listing or from the completion of the over-allotment, apply to a bank in the province or city specifically designated in the state plan where it is incorporated for overseas listing registration. Following the overseas listing of a domestic enterprise, if its domestic shareholders reduce their holdings of the overseas listed shares, they shall apply to the bank in the locality where the domestic shareholder is incorporated for reduction registration within 30 working days before or after such reduction. If a domestic shareholder intends to increase its holdings of the overseas listed shares of a domestic enterprise, it shall apply to the local branch of the State Administration of Foreign Exchange for increase registration within 20 working days prior to the proposed increase.

According to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support Foreign-related Business Growth (《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》) promulgated by the State Administration of Foreign Exchange on April 10, 2020 and came into effect on the same date, the facilitation reform for receipts and payments under the capital account was rolled out nationwide. While ensuring funds are used for true businesses and in compliance with regulations and the existing management provisions on use of receipts under the capital account, eligible companies will be allowed to use receipts under the capital account such as foreign exchange capital, external debts and funds raised through overseas listing for domestic payments, without submitting authentication materials to banks beforehand on a transaction-by-transaction basis.

REGULATIONS ON SECURITIES AND OVERSEAS LISTING

Pursuant to the Securities Law of the People's Republic of China (2019 Revision) (《中華人民共和國證券法(2019修訂)》) (the "Securities Law") promulgated by SCNPC on December 28, 2019 and came into effect on March 1, 2020, the Securities Law is applicable to the issuance and trading of shares, corporate bonds, depositary receipts and other securities recognized legally by the State Council within the PRC. For any matters not mentioned in the Securities Law, the requirements of the Company Law of the People's Republic of China (《中華人民共和國公司法》) and other laws and administrative regulations shall be applicable. Domestic enterprises which, directly or indirectly, issue securities overseas or perform overseas listing and trading of their securities, shall comply with the relevant requirements of the State Council.

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》) promulgated by the China Securities Regulatory Commission (the "CSRC") on February 17, 2023 and came into effect on March 31, 2023, and the five ancillary guidelines, overseas offering and listing are prohibited under any one of the following circumstances: (1) such listing and financing are explicitly prohibited by the provisions of laws, administrative regulations or relevant stipulations of the State; (2) the overseas offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with the laws; (3) either the domestic company or its controlling shareholder(s), or the de facto controller(s), has/have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (4) the domestic company is suspected of committing a crime or severe violation of laws and regulations, and is under investigation in accordance with the laws and no clear conclusive opinion has been made; (5) there is/are material ownership dispute(s) over equity interests held by the controlling shareholder(s) or the shareholder(s) that are controlled by the controlling shareholder(s) or the de facto actual controller(s).

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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》) jointly issued by the CSRC, MOF and other authorities on February 24, 2023 and came into effect on March 31, 2023, a domestic company that provides or publicly discloses, either directly or through its overseas listed entities, any documents and materials involving State secrets or work secrets of government agencies to entities, such as relevant securities companies, securities service providers or overseas regulators, and individuals shall obtain approval from the competent authorities with approval authority in accordance with law, and make filing with the confidentiality administrative management authority at the same level.

OVERVIEW

The history of our Group traces back to 2002, when our predecessor, Shanghai USTC Luneng Integration Technology Co., Ltd.* (上海中科大魯能集成科技有限公司) was established jointly by Dr. Huang with his own funds, together with other shareholders, through Anhui Dongcai Investment Management Co., Ltd.* (安徽東財投資管理有限公司), USTC Asset Management Co., Ltd.* (中科大資產經營有限責任公司), an investment and asset management enterprise wholly owned by USTC, and Mr. Yang Ruijun (楊銳俊). This incorporation was driven by strategic considerations focused on incentivizing internal talent and leveraging external resources for empowerment. Accordingly, USTC Asset Management Co., Ltd., together with certain senior management personnel, jointly founded the Company in collaboration with Dr. Huang. Anhui Dongcai Investment Management Co., Ltd. had been a privately owned company until its deregistration in 2015. USTC Asset Management Co., Ltd. is a state-owned enterprise, which held 0.31% of the Company's total issued share capital as of the end of 2025. Neither Anhui Dongcai Investment Co., Ltd., USTC, nor USTC Asset Management Co., Ltd. has any ongoing influence on or rights over the Company. On February 9, 2010, our Company was converted into a joint stock company with limited liability, and was subsequently renamed as CSG Smart Science & Technology Co., Ltd. (科大智能科技股份有限公司). Since May 25, 2011, our Company has been listed on the Shenzhen Stock Exchange (stock code: 300222.SZ).

With a vision of "smarter technology, smarter future (智能科技，智慧未來)", we have become a major technology enterprise that is driven by the dual engines of (i) Power Equipment and Energy Storage and (ii) Robots in the PRC, according to Frost & Sullivan. With over 20 years of operations, we have accumulated substantial industry expertise and are committed to integrating advanced technologies to drive the digital upgrades of energy system under the new electricity system in the PRC, accelerating digital transition in industrial manufacturing, and establishing smart microgrids in the fields of energy and industrial sectors.

OUR BUSINESS MILESTONES

The following sets forth our major business development milestones:

Year	Business Milestones
2002	The predecessor of our Company, Shanghai USTC Luneng Integration Technology Co., Ltd.* (上海中科大魯能集成科技有限公司) was established in Shanghai, with an initial seed investment from the USTC.
2008	Our Company changed its name to Shanghai CSG Luneng Integration Technology Co., Ltd. (上海科大魯能集成科技有限公司).
2010	Our Company was converted into a joint stock company with limited liability and changed its name to Shanghai CSG Smart Science & Technology Co., Ltd. (上海科大智能科技股份有限公司).
2011	Our Company was listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300222.SZ).
2012	Our Company changed its name to CSG Smart Science & Technology Co., Ltd. (科大智能科技股份有限公司).
2014	We acquired the entire equity interests in Shanghai Yongqian, a provider of customized industrial automation solutions, thereby expanding our businesses into Robots.

Year	Business Milestones
2019	We co-founded the Intelligent Robotics Research Institute with Fudan University as part of our expanded R&D commitment in our Robots business.
2022	We established CSG Digital, marking our further expansion into energy storage systems business.
2025	We became one of the operators of the Shanghai's Virtual Power Plant (VPP) system.
2026	We acquired a 70% equity interest in Yuanguang Electrical, a manufacturer of power transformers, thereby adding a complete transformer product line and expanding the overseas promotion of our products.

OUR MAJOR SUBSIDIARIES

The following table sets forth the detailed information of the major subsidiaries of our Company that made a material contribution to our results of operations:

Name of subsidiary	Place of incorporation	Date of incorporation	Equity interests attributable to our Group	Principal activities
CSG Smart Electrical Technology Co., Ltd.* (科大智能電氣技術有限公司)	Hefei, Anhui Province, PRC	June 12, 2009	100.0%	R&D, manufacturing and development of smart power distribution and consumption products and related solutions.
Yantai CSG Zhengxin Electric Co., Ltd.* (煙台科大正信電氣有限公司)	Yantai, Shandong Province, PRC	December 17, 2012	100.0%	R&D, manufacturing and development of smart power distribution and consumption products and related solutions.
Shanghai Yingtong (YT) Electric Co., Ltd.* (上海英同電氣有限公司)	Shanghai, PRC	March 12, 2014	51.0%[(1)]	R&D, manufacturing and development of smart power distribution and consumption products and related solutions.
CSG Digital (Shanghai) Energy Technology Co., Ltd.* (科大數字(上海)能源科技有限公司)	Shanghai, PRC	June 22, 2022	100.0%	R&D, manufacturing and development of energy storage products and related solutions.
Shanghai Yongqian M&E Co., Ltd.* (上海永乾機電有限公司) . .	Shanghai, PRC	January 20, 1999	100.0%	R&D and manufacturing and development of industrial manipulators and related solutions.

Name of subsidiary	Place of incorporation	Date of incorporation	Equity interests attributable to our Group	Principal activities
Wuhan Yongqian Automation Co., Ltd.* (武漢永乾自動化有限公司)	Wuhan, Hubei Province, PRC	July 19, 2017	100.0%	R&D and manufacturing and development of industrial manipulators and related solutions.
Shenzhen HW Automation Equipment Co., Ltd.* (深圳市宏偉自動化設備有限公司)	Shenzhen, Guangdong Province, PRC	August 14, 2006	70.0%(1)	R&D and manufacturing and development of stackers and related solutions.
Hefei CSG Intelligent Robot Technology Co., Ltd. * (合肥科大智能機器人技術有限公司)	Hefei, Anhui Province, PRC	February 16, 2015	57.4%(1)	R&D and manufacturing and development of inspection robots and related solutions.
CSG Smart Robot Technology Co., Ltd.* (科大智能機器人技術有限公司)	Shanghai, PRC	December 10, 2009	100.0%	Holding company.
Zhejiang Jiangshan Yuanguang Electrical Co., Ltd.* (浙江江山源光電氣有限公司)	Jiangshan, Zhejiang Province, PRC	July 18, 2006	70.0%(1)	Manufacturer of power transformers.

Note:

(1) For further details of the other shareholders of these subsidiaries, see "— Our Corporate Structure Immediately Prior to the [**REDACTED**]" in this section.

For changes in the registered capital of our subsidiaries, see "Statutory and General Information — 1. Further Information about Our Group — C. Changes in the Share Capital of our Subsidiaries" in Appendix VII to this Document.

OUR CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

1. Early Development and Conversion into a Joint Stock Company

On November 27, 2002, our Company's predecessor, Shanghai Luneng was established in Shanghai as a limited liability company with an initial registered capital of RMB5,000,000. The shareholding structure of Shanghai Luneng as of the date of its establishment was as follows:

Name of shareholder	Registered share capital	Approximate percentage of shareholding
	(RMB)	*%*
Anhui Dongcai Investment Management Co., Ltd.* (安徽東財投資管理有限公司) ("**Anhui Dongcai**")(1)	4,500,000	90.0
USTC Asset Management Co., Ltd.* (中科大資產經營有限責任公司) ("**USTC Asset Management**")(2)	250,000	5.0
Mr. Yang Ruijun(3)	250,000	5.0
Total	**5,000,000**	**100.0**

Notes:

(1) At the time of Shanghai Luneng's establishment in 2002, Dr. Huang was a shareholder in Anhui Dongcai.

(2) USTC Asset Management is an investment and asset management enterprise wholly owned by the USTC and was formerly known as USTC Technology & Industry General Corporation* (中國科學技術大學科技實業總公司).

(3) At the time of Shanghai Luneng's establishment in 2002, Mr. Yang Ruijun served as a director of Shanghai Luneng.

Upon completion of several rounds of capital increase and equity transfer in 2008 and 2009, the registered capital of our Company reached RMB45,000,000 in 2009. On February 9, 2010, we were converted into a joint stock company and our name was changed to Shanghai CSG Smart Science & Technology Co., Ltd. (上海科大智能科技股份有限公司). Upon the completion of the conversion, our Company had a total share capital of RMB45,000,000 comprising 45,000,000 Shares, with Anhui Dongcai, in which Dr. Huang held approximately 73.8% equity interests, and Dr. Huang holding equity interests of 38.0% and 37.5%, respectively. After the conversion, the shareholding structure of our Company was as follows:

Name of shareholder	Registered share capital	Approximate percentage of shareholding
	(RMB)	*%*
Anhui Dongcai	17,100,000	38.0
Dr. Huang	16,875,000	37.5
Mr. Yi Bo (易波)[(1)]	2,479,500	5.5
USTC Asset Management	2,250,000	5.0
Mr. Yang Ruijun	2,250,000	5.0
Other individual shareholders[(2)]	4,045,500	9.0
Total	**45,000,000**	**100.0**

Note:

(1) At the time of the conversion, Mr. Yi Bo was a director of our Company.

(2) These shareholders consist of members of our entrepreneurial team, management and certain employees, including directors and other key members of our Company at the time of the conversion.

2. Listing on the ChiNext of the Shenzhen Stock Exchange in 2011

On May 25, 2011, our A Shares were listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300222.SZ) (the "**A-Shares Listing**"). In the A-Shares Listing, we issued an aggregate of 15,000,000 A Shares, accounting for 25.0% of our then enlarged share capital. The then shareholding structure of our Company immediately following the completion of our A-Shares Listing was as follows:

Name of shareholder	Number of Shares held	Approximate percentage of shareholding
		%
Anhui Dongcai[(1)]	17,100,000	28.5
Dr. Huang	16,875,000	28.1
Other then existing shareholders[(2)]	11,025,000	18.4
Other A Shareholders	15,000,000	25.0
Total	**60,000,000**	**100.0**

Notes:

(1) At the time of the A-Shares Listing, Dr. Huang was the controlling shareholder of Anhui Dongcai, holding an aggregate equity interest of 73.8%.

(2) These shareholders consist of USTC Asset Management and members of our entrepreneurial team, management and certain employees, including directors and other key members of our Company at the time of the A-Shares Listing, including Mr. Yi Bo and Mr. Yang Ruijun.

Subsequent to the completion of the A-Shares Listing, there had been instances of share capital changes of our Company due to capitalization issue. In May 2012, the registered share capital of our Company amounted to RMB108,000,000 and comprised 108,000,000 A Shares.

3. Non-public Issuance of A Shares for Acquisition and Fund Raising between 2014 and 2016

In 2014, we completed a non-public issuance of A Shares as consideration to acquire 100.0% equity interest in Shanghai Yongqian, to consolidate all of its business and talent resources in the industrial production intelligence field, enabling us to expand our automation, intelligent control, software, and hardware product offerings, as well as our customer base. Pursuant to this transaction, we issued a total number of 40,172,506 new A Shares to then 11 shareholders of Shanghai Yongqian all of whom were Independent Third Parties. In the same year, we completed a non-public issuance of A Shares for fund raising, pursuant to which, we issued a total number of 15,723,270 new A Shares to Dr. Huang.

In 2015, we completed a non-public issuance of A Shares as consideration to acquire 49.0% equity interest in Yantai Zhengxin Electric Co., Ltd.* (煙台正信電氣有限公司) ("**Yantai Zhengxin**", currently known as Shanghai Huanze Electric Co., Ltd.* (上海浣澤電氣有限公司) ("**Shanghai Huanze**") to acquire all of its unique technologies in intelligent switch controllers and distributed FA fields, enabling us to reduce product costs, improve product profitability, and further elevate our industry position and market share, pursuant to which, we issued 10,712,606 new A Shares to then seven shareholders of Yantai Zhengxin.

In 2016, we completed a non-public issuance of A Shares as consideration to acquire 100.0% equity interest in CSG Automate and Huaxiao Precision which promoted our development strategy, enhancing our industrial layout in the field of industrial production intelligence and market competitiveness. Pursuant to the transaction, we issued a total number of 62,619,988 new A Shares to then nine shareholders of these companies, all of whom were Independent Third Parties. Separately in the same year, we completed a non-public issuance of A Shares for fund raising, pursuant to which, we issued a total number of 40,162,684 new A Shares to three specific investors, all of whom were Independent Third Parties.

Upon completion of the above non-public issuance of A Shares, the capitalisation of capital reserves and the share issuances pursuant to our then share incentive schemes between 2014 and 2016, the registered share capital of our Company amounted to RMB705,475,556 and comprised 705,475,556 A Shares.

4. Other Shareholding Changes between 2017 and 2021

During the period between 2017 and 2021, our share capital further increased to RMB780,242,234 and comprised 780,242,234 A Shares upon completion of various rounds of issuance, repurchase and cancelation of A shares.

5. Repurchase and cancelation of A Shares in 2025

In 2025, we completed a round of repurchase and cancellation of 1,961,000 A Shares. After the completion of this share repurchase and cancelation, the registered share capital of our Company decreased to RMB778,281,234 and comprised 778,281,234 A Shares. See "Statutory and General Information — 1. Further Information about Our Group — B. Changes in Share Capital of our Company" in Appendix VII to this Document for more details.

6. Increase of Share Capital in 2026

As approved by the fourteenth meeting of the 6th session of the Board on June 29, 2026, a total of 3,940,000 A Shares was issued pursuant to the vesting of the options granted under the 2025 Share Incentive Scheme on July 13, 2026. The registered share capital of our Company was then increased from RMB778,281,234 to RMB782,221,234 and comprised 782,221,234 A Shares. See "Statutory and General Information — 1. Further Information about Our Group — B. Changes in Share Capital of our Company" in Appendix VII to this Document for more details.

As of the Latest Practicable Date, the registered share capital of our Company was RMB782,221,234 and comprised 782,221,234 A Shares, all of which are listed on the ChiNext Board of the Shenzhen Stock Exchange.

CONFIRMATION BY THE PRC LEGAL ADVISOR

As confirmed by our PRC Legal Advisor, the shareholding changes of our Company as discussed above, including the increases of registered share capital and share issuance, repurchase and cancelation complied with all applicable PRC laws and regulations.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions as required to be disclosed under Rule 4.05A of the Listing Rules, nor any major disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

Disposals

In line with our strategic focus on developing our core Power Equipment and Energy Storage and Robots businesses, and further concentrating on areas where we hold competitive advantage, we disposed of, in whole or in part, our equity interests in certain non-core or loss-making subsidiaries during the Track Record Period. Such disposals did not cast any material change in the Group's business focus, strategy or resource allocation.

Disposal of Hongda Electric

On May 16, 2023, we completed the disposal of 5.0% equity interests in our then subsidiary, Hongda Electric, a provider of traditional circuit breakers, to Mr. Shu Mingliang (束明亮), the then shareholder of Hongda Electric as to 33.0% prior to the transaction, for a total cash consideration of RMB17.5 million, which was determined after arm's length negotiations with reference to the agreed valuation as assessed by an independent valuer.

Upon completion of the disposal, our Company held 46.0% of the equity interests in Hongda Electric. As a result, Hongda Electric ceased to be a subsidiary of our Company while remained as an associate. The disposal was strategically designed to optimize resource allocation and foster Hongda Electric's independent and autonomous development, driving it to further expand and strengthen, its operations and ultimately achieving the maximization of interests for Hongda Electric and its shareholders.

Given that Hongda Electric's principal business has a high degree of synergy with our Company's Power Equipment and Energy Storage business and demonstrates strong profitability, our Company continues to hold 46.0% of Hongda Electric's equity after the disposal. By retaining a significant minority equity interest of 46.0%, our Company continues to benefit from Hongda Electric's upside potential and any future value creation without the burden of day-to-day management responsibilities.

Disposal of CSG Automate

On January 8, 2024, we completed the disposal of the entire 100.0% equity interests in our then subsidiary, CSG Automate, a provider of automated production lines and intelligent welding services, to Shanghai Linghang and Shanghai Weiyu, each of which was an Independent Third Party. The disposal was completed for a total cash consideration of RMB3.0 million, which was determined after arm's length negotiations with reference to the valuation of the equity interests as assessed by an independent valuer.

Upon completion of the disposal, CSG Automate ceased to be a member of our Group.

Since 2019, CSG Automate has continued to incur losses due to the downturn in the traditional automobile industry and intensified market competition, resulting in heightened operational risks. We disposed of the business as its principal activities in automated product lines and intelligent welding were no longer aligned with our strategic focus.

Disposal of Hefei Soongo

On January 10, 2024, our wholly-owned subsidiary, CSG Smart Electrical, completed the disposal of an aggregate of 50.0% equity interests in Hefei Soongo, a provider of charging piles, to Henan Songguo, ultimately controlled by a director of Hefei Soongo, at a total cash consideration of RMB50.0 million, which was determined after arm's length negotiations with reference to the valuation as assessed by an independent valuer.

Upon completion of the disposal, our Company held 20.0% of the equity interests in Hefei Soongo. As a result, Hefei Soongo ceased to be a subsidiary of our Company while remained as an associate. As of the Latest Practicable Date, our Company held 15.82% of the equity interests in Hefei Soongo.

While Hefei Soongo's charging pile business recorded positive gross profit, its net profit remained negative for the year of 2023. In view of the intense market competition and the heavy capital investment needed going forward, we have decided to dispose of Hefei Soongo. This could reduce ongoing funding requirements from us, optimise resource allocation, and allow us to concentrate on our core business.

Disposal of Huaxiao Precision

On January 17, 2024, we completed the disposal of 55.0% equity interests in, together with the assignment of debts owed to our Company by, our then subsidiary, Huaxiao Precision, a provider of automated guided vehicle robots and related solutions, to Mr. Lu Bing (魯兵), a director of Huaxiao Precision, and Jianlong Zaitian which was ultimately controlled by Mr. Lu Bing. The disposal was completed for a total cash consideration of RMB23.0 million, which was determined after arm's length negotiations with reference to the valuation of the equity interests and debts thereunder as assessed by an independent valuer.

Upon completion of the disposal, Huaxiao Precision ceased to be a member of our Group.

Since 2019, Huaxiao Precision has continued to incur losses due to the downturn in the traditional automobile industry and intensified market competition, resulting in heightened operational risks. We disposed of the business as its principal activities in automated guided vehicle robots and related solutions no longer aligned with our strategic focus.

For further details of the influence of above mentioned disposals, see "Financial Information — Key Factors Affecting Our Results of Operations — Impact of the Historical Disposals during the Track Record Period" in this Document.

Our PRC Legal Advisor advised that, the abovementioned disposals of our Group during the Track Record Period were settled properly, the respective approval procedures were in compliance with the applicable PRC laws and regulations, and such disposals did not constitute related party transactions under the SSE Listing Rules.

Acquisition during the Track Record Period

During the Track Record Period, we conducted the following acquisition that we consider to be material to us:

Acquisition of Yuanguang Electrical

On May 11, 2026, our Company entered into an equity transfer agreement with Mr. Mao Feng (毛鋒), Mr. Zhou Xiongfei (周雄飛), Mr. Wu Bin (吳斌) and Mr. Ying Hongxi (應宏熹) (who were all Independent Third Parties, collectively referred to as the "**Sellers**"). Pursuant to the agreement, our Company acquired an aggregate of 70.0% equity interest in Yuanguang Electrical, a manufacturer of power transformers, from the Sellers at a total consideration of RMB151.2 million. As of June 30, 2026, 90% of the consideration had been settled, with the remaining 10% to be settled on or before May 31, 2029. The consideration was determined after arm's length negotiation between the parties with reference to the valuation of the entire shareholders' interest of Yuanguang Electrical as of March 31, 2026 made by an independent valuer.

Immediately upon completion of the acquisition on May 21, 2026, Yuanguang Electrical became a subsidiary of our Company and was held as to 70.0% equity interest by our Company, with the remaining 18.0%, 4.0%, 4.0% and 4.0% equity interest held by Mr. Mao Feng, Mr. Zhou Xiongfei, Mr. Wu Bin and Mr. Ying Hongxi respectively.

The financial information of Yuanguang Electrical since the completion of the acquisition has been reflected in our consolidated financial statements for the Track Record Period. Please refer to Note 48(b) of Appendix I for details. None of the applicable percentage ratios as stipulated under the Listing Rules in respect of the acquisition of Yuanguang Electrical exceeds 25%. Accordingly, the pre-acquisition financial information of Yuanguang Electrical is not required to be disclosed in this Document under Rule 4.05A of the Listing Rules.

The acquisition of Yuanguang Electrical is primarily driven by the need to enrich the product matrix of our Company's Power Equipment and Energy Storage business, improve the "source-grid-load-storage" industrial chain layout, and provide our customers with more comprehensive overall solutions for new-type power systems, thereby strengthening our Company's core competitiveness. In addition, Yuanguang Electrical's existing overseas qualification certifications and sales channels will enable our Company to rapidly enter key global markets, expand the overseas promotion of our products, seize market opportunities in a timely manner, and enhance profitability.

For further details of the influence of above mentioned acquisition, see "Financial Information — Key Factors Affecting Our Results of Operations — Impact of the Historical Acquisition during the Track Record Period" in this Document.

Our PRC Legal Advisor advised that, the abovementioned acquisition by our Group during the Track Record Period was settled properly, the respective approval procedures were in compliance with the applicable PRC laws and regulations, and such acquisition did not constitute related party transactions under the SSE Listing Rules.

Post-Track Record Period Acquisitions

After the Track Record Period, we conducted the following acquisitions:

Acquisition of Fusion THz

On July 29, 2026, our Group entered into a capital increase agreement with Fusion THz, Mr. Liu Haiqing (劉海慶), Hefei Paijie Optoelectronics Technology Partnership (Limited Partnership)* (合肥派捷光電科技合夥企業(有限合夥)) ("**Hefei Paijie**"), Hefei Shuoxiang Optoelectronics Technology Partnership (Limited Partnership)* (合肥鑠祥光電技術合夥企業(有限合夥)) ("**Hefei Shouxiang**") and Hefei Yexuan Optoelectronics Technology Partnership (Limited Partnership)* (the "**Fusion THz Subscription Agreement**"). Pursuant to the Fusion THz Subscription Agreement, our Group agreed to subscribe for approximately 0.35% equity interest in Fusion THz for a total consideration of RMB15.0 million. As of the Latest Practicable Date, the total consideration had been fully settled. The consideration was determined after arm's length negotiation between the parties with reference to, among other things, Fusion THz's market position in the nuclear fusion-related sector, its technological research and development capabilities, the business capabilities of its core team, its future commercialisation prospects, the strategic synergies expected to be generated and its early-stage nature as a technology innovation enterprise, and with reference to the subscription price paid by other investors in the current round of financing.

Immediately upon completion of the acquisition, Fusion THz will be held as to approximately 0.35% by our Group, with the remaining equity interests held as to approximately 10.78% by Mr. Liu Haiqing, 13.09% by Hefei Paijie, 10.45% by Hefei Shuoxiang, 8.21% by Hefei Yexuan, 9.36% by Anhui Zhixin Venture Capital Partnership (Limited Partnership)* (安徽執新創業投資合夥企業(有限合夥)), 8.51% by Anhui Hehai Venture Capital Partnership (Limited Partnership)* (安徽合海創業投資合夥企業(有限合夥)), 4.11% by Hefei Science Island Holdings Co., Ltd.* (合肥科學島控股有限公司), and 4.11% by Hefei City Angel Investment Fund Co., Ltd.* (合肥市天使投資基金有限公司), respectively, and the remaining equity interest held by various other investors each holding less than 3% of the equity interest in Fusion THz.

Fusion THz's principal businesses include the sale of complete sets of nuclear fusion plasma diagnostic equipment and civilian terahertz imaging and detection equipment. The investment is intended to enable our Company to keep abreast of developments in frontier technologies and to actively explore synergies between such technologies and our Company's businesses.

Acquisition of Exeter Energy

In July 2026, our Group entered into a series of agreements pursuant to which our Group intended to acquire a 70.00% shareholding interest in Exeter Energy for a total cash consideration of US$1.0 million (the "**Exeter Energy Subscription**").

As of the Latest Practicable Date, our Company was still negotiating with Exeter Energy regarding the final consideration and payment schedule. Completion of the Exeter Energy Subscription remained subject to customary closing conditions, including, among others, obtaining required regulatory approvals or filings and settlement of the consideration. It is expected that upon completion of the Exeter Energy Subscription, Exeter Energy will become a subsidiary of our Company.

Exeter Energy's principal businesses principally provide maintenance services for photovoltaic power plants, acts as an agent in overseas tenders for electrical equipment and undertakes small-scale engineering, procurement and construction ("**EPC**") projects. The investment is intended to establish our Group's local operating presence in North America and support the expansion of our Power Equipment and Energy Storage businesses in the region.

Acquisition of Silicon Zhun

On September 5, 2026, our Group entered into a capital increase agreement with Silicon Zhun, Mr. Wu Ziruo (吳子若), Mr. Cheng Xinbin (程鑫彬), Mr. Wang Zhanshan (王占山), Mr. Jiao Hongfei (焦宏飛), Shanghai Chenyao Yichuang Private Equity Investment Fund Partnership (Limited Partnership)* (上海辰耀宜創私募投資基金合夥企業(有限合夥)) ("**Shanghai Chenyao**"), Shanghai Jiliuling Ceyuan Venture Capital Partnership (Limited Partnership) (上海吉六零策源創業投資合夥企業(有限合夥)) ("**Shanghai Jiliuling**"), and Shanghai Yongjun Xingmang Venture Capital Partnership (Limited Partnership)* (上海永珺星芒創業投資合夥企業(有限合夥)) ("**Yongjun Xiangmang**") (the "**Silicon Zhun Subscription Agreement**"). Pursuant to the Silicon Zhun Subscription Agreement, our Group agreed to subscribe for newly increased registered capital representing approximately 4.98% of the equity interest in Silicon Zhun for a total cash consideration of RMB29.9 million. As of the Latest Practicable Date, the 70% of the consideration had been settled, with the remaining 30% to be settled on or before late December 2026. The consideration was determined after arm's length negotiation between the parties, among other things, Silicon Zhun's technological capabilities, the prospects of the industry in which it operates and the progress of its research and development. As of the Latest Practicable Date, the investment had not been completed and is expected to be completed by the end of December 2026.

Immediately upon completion of the investment, Silicon Zhun will be held as to approximately 4.98% by our Group, with the remaining 22.22% by Mr. Wu Ziruo (吳子若), 20.00% by Mr. Cheng Xinbin (程鑫彬), 6.67% by Mr. Wang Zhanshan (王占山), 4.44% by Mr. Jiao Hongfei (焦宏飛), 13.33% by Tongji Innovation Venture Holding Co., Ltd.* (同濟創新創業控股股份有限公司), 9.18% by Shanghai Chenyao, 6.67% by Shanghai Jiliuling, 3.33% by Yongjun Xingmang and 9.17% by other investors, respectively.

Silicon Zhun's principal businesses focus on providing semiconductor metrology and inspection wafer-level standard samples and core micro-nano optical components. The investment is intended to enable our Company to keep abreast of developments in frontier technologies and to actively explore synergies between such technologies and our Company's businesses.

We have applied to the Stock Exchange, and the Stock Exchange [has granted] us a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) in relation to our investments in Fusion THz, Exeter Energy and Silicon Zhun. For further details, see "Waivers from Strict Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Acquisitions After the Track Record Period."

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Since May 25, 2011, the A Shares of our Company have been listed on the Shenzhen Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances of non-compliance with the rules of the Shenzhen 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 investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisor advised us that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties imposed by PRC securities regulatory authorities and we have complied with the relevant laws and regulations on A-Shares Listing applicable to us in all material respects. 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 our Directors' confirmation with regard to the compliance records of our Company on the Shenzhen Stock Exchange.

Our Company seeks to be [**REDACTED**] the Stock Exchange in order to further promote our internationalization strategy and overseas business expansion. See "Business — Our Strategies" and "Future Plans and [**REDACTED**]" for more details.

OUR SHARE INCENTIVE SCHEMES

In order to enhance our Company's competitiveness in the talent market, comprehensively address our growing needs for talent and build a high-quality workforce, we have adopted the 2015 Share Incentive Scheme, the 2016 Share Incentive Scheme and the 2025 Share Incentive Scheme.

Pursuant to the 2015 Share Incentive Scheme, our Company granted an aggregate of 12,714,800 A Shares to 213 grantees, including our Directors, senior management, middle management, and core technical/business personnel of our Company. Pursuant to the 2016 Share Incentive Scheme, our Company granted an aggregate of 22,990,000 A Shares to 570 grantees, including Directors, senior management, middle management, and core technical/business personnel of our Company. Both schemes have been implemented, with all restricted A Shares under the respective plans having been granted according to the disclosed schedules and terms. As of the Latest Practicable Date, the 2015 Share Incentive Scheme and the 2016 Share Incentive Scheme had been completed, and there are no outstanding Shares to be granted under the 2015 Share Incentive Scheme or the 2016 Share Incentive Scheme, as all restricted stock units under above schemes have either been vested or repurchased and canceled.

Our Company adopted the 2025 Share Incentive Scheme on July 7, 2025. See "Statutory and General Information — 4. Our Share Incentive Scheme — A. 2025 Share Incentive Scheme" in Appendix VII for details. We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver in relation to the outstanding share options under the 2025 Share Incentive Scheme and disclosure thereof. See "Waivers from Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver and Exemption in relation to the 2025 Share Incentive Scheme" for details. See "Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders" in Appendix VII for details of the shareholdings of our Directors.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Rule 19A.13A(2) of the Listing Rules requires that there must be an open market in the securities for which listing is sought. 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 [**REDACTED**], 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$3,000,000,000.

Our A Shares are listed on the Shenzhen Stock Exchange. So far as our Directors are aware, all [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**], representing approximately [**REDACTED**] of our total issued share capital immediately upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised, the options granted under the 2025 Share Incentive Scheme are not exercised and that no changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**]), are expected to be held by [**REDACTED**], which is higher than the prescribed percentage of H Shares required to [**REDACTED**] of 10% under Rule 19A.13A(2)(a) of the Listing Rules, thereby satisfying Rule 19A.13A(2) of the Listing Rules at the time of the [**REDACTED**].

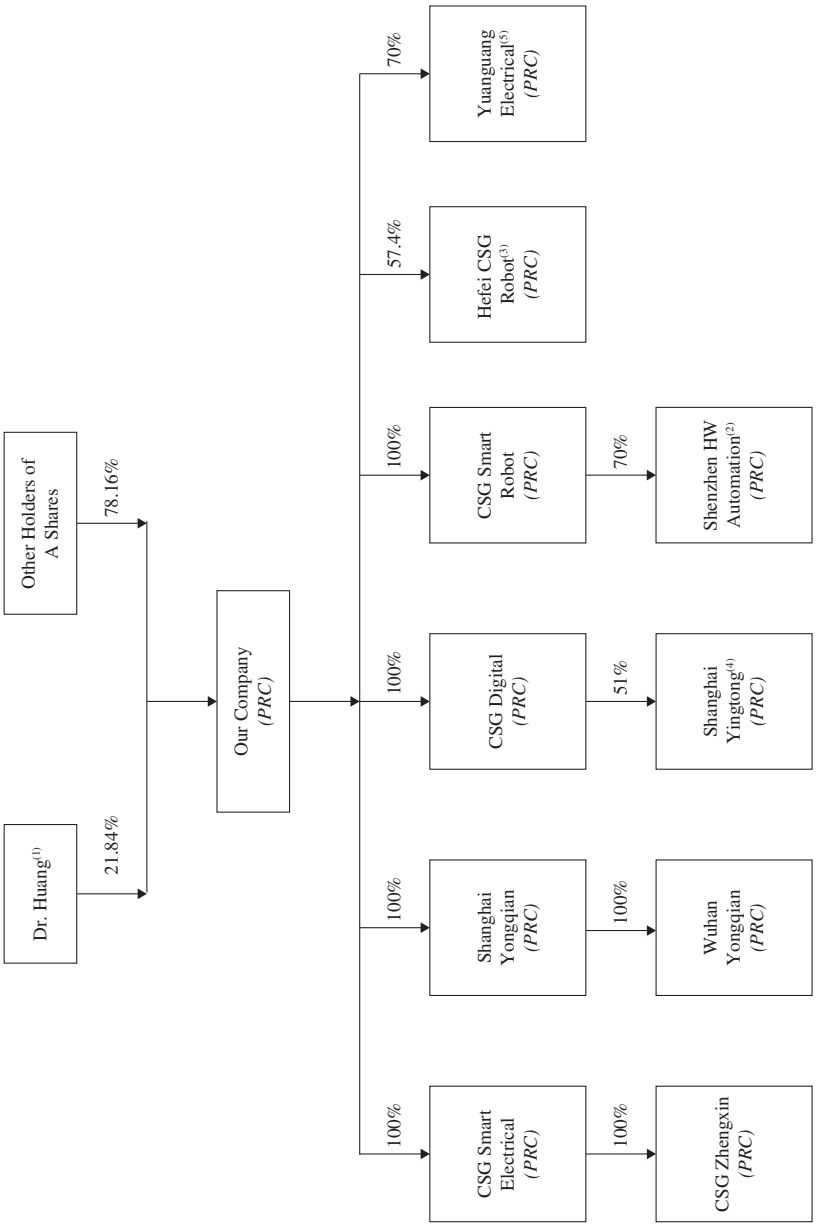
Satisfaction of the Free Float Requirement

Under Rule 19A.13C(2) of the Listing Rules, a PRC issuer with other listed shares at the time of listing must ensure that the portion of H shares for which listing is sought that are held by the public and that are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [**REDACTED**], 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$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Based on an [**REDACTED**] of [**REDACTED**] per H Share, being the [**REDACTED**] of an indicative [**REDACTED**], our Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

OUR CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth the shareholding and corporate structure of our Group immediately before the completion of the [**REDACTED**]:



Notes:

(1) To the knowledge of our Company, as of the Latest Practicable Date, Dr. Huang had pledged 63,650,000 A Shares held by him, accounting for approximately 8.14% of our Company's issued share capital.

(2) As of the Latest Practicable Date, the remaining 30.0% shareholding interest of Shenzhen HW Automation was owned by Shenzhen Dapeng Investment Partnership (Limited Partnership)* (深圳市達鵬投資合夥企業(有限合夥)) ("**Shenzhen Dapeng**") and Hefei Songjing Equity Investment Partnership (Limited Partnership)* (合肥松涇股權投資合夥企業(有限合夥))* ("**Hefei Songjing**") as to approximately 25.0% and 5.0%. Shenzhen Dapeng was partially owned by Mr. Wu Jingsheng (吳敬勝) as to 49.2% and Hefei Songjing was controlled by Ms. Zhou Menglan (周夢蘭) as to 99.0%. Mr. Wu Jingsheng served as a director and general manager.

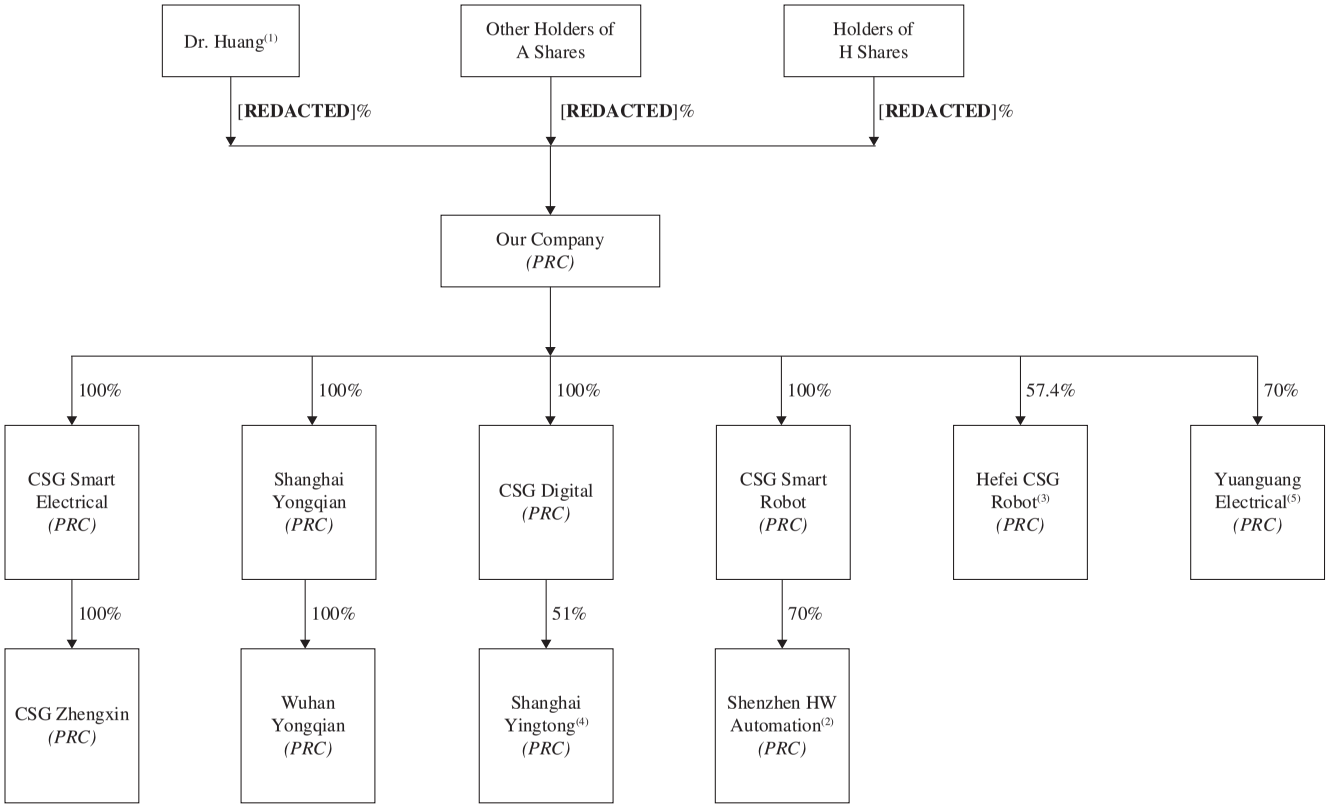
(3) As of the Latest Practicable Date, the remaining 42.6% shareholding interest of Hefei CSG Robot was owned by Hefei Yuke Technology Partnership (Limited Partnership)* (合肥昱珂科技合夥企業(有限合夥)) ("**Hefei Yuke**") and Hefei Rail Transit Group Co., Ltd. (合肥市軌道交通集團有限公司) as to approximately 24.6% and 18.0%. Hefei Yuke was controlled by Mr. Li Lin (李林) as to approximately 84.4%. Mr. Li Lin served as the chairman of the board, a director and the general manager at Hefei CSG Robot.

(4) As of the Latest Practicable Date, the remaining shareholding interest of Shanghai Yingtong was owned by Mr. Zhong Junwei (仲雋偉), Shanghai Yingtong Enterprise Management Consulting Partnership (Limited Partnership)* (上海鷹彤企業管理諮詢合夥企業(有限合夥)) ("**Yingtong Management Consulting**") and KBR Power Quality Management (Shanghai) Co., Ltd.* (柯貝爾電能質量技術(上海)有限公司) (an Independent Third Party) as to 23.0%, 21.0% and 5.0%. Yingtong Management Consulting was controlled by Mr. Zhong Junwei as to approximately 78.6%.

(5) As of the Latest Practicable Date, the remaining shareholding interest of Yuanguang Electrical was owned by Mr. Mao Feng (毛鋒), Mr. Zhou Xiongfei (周雄飛), Mr. Wu Bin (吳斌) and Mr. Ying Hongxi (應宏熹) as to 18.0%, 4.0%, 4.0% and 4.0% respectively. All remaining shareholders of Yuanguang Electrical were Independent Third Parties.

OUR CORPORATE STRUCTURE IMMEDIATELY AFTER THE [REDACTED]

The following chart sets forth the shareholding and corporate structure of our Group immediately upon completion of the [**REDACTED**] assuming that the [**REDACTED**] is not exercised, the options granted under the 2025 Share Incentive Scheme are not exercised and no further changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [**REDACTED**]:



Note: See "— Our Corporate Structure Immediately Prior To The [**REDACTED**]" in this section for Notes (1) to (4).

OVERVIEW

We are a major technology enterprise that is driven by the dual engines of (i) Power Equipment and Energy Storage and (ii) Robots in the PRC, according to Frost & Sullivan. We are committed to integrating advanced technologies to drive the digital upgrades of energy system under the new electricity system in the PRC, accelerating digital transition in industrial manufacturing, and establishing smart microgrids in the fields of energy and industrial sectors.

Our core business comprises the design, manufacture and sales of industrial equipment and system-based solutions, including power distribution and consumption equipment, energy storage systems and industrial robots, which together accounted for the substantial majority of the Group's revenue during the Track Record Period. Specifically, we primarily operate the following two business segments:

Power Equipment and Energy Storage: We have been deeply engaged in the smart power distribution and consumption sector in the PRC since our inception in 2002. According to Frost & Sullivan, we are one of the earliest companies in the PRC to enter the power distribution and consumption automation field, and as of the Latest Practicable Date, our products and solutions were deployed across power grids in 31 provincial administrative regions nationwide. Our main products include integrated primary-secondary circuit breakers, ring main units, FTU and DTU, and low-voltage distribution area and electricity consumption collection systems. We have provided products and solutions to China's largest state-owned power grid company for over two decades. As of the Latest Practicable Date, we had also actively participated in formulating ten national and industry standards and received 47 awards, including the *First Prize of the 2025 Electric Power Science and Technology Progress Award*. Moreover, we are continuously exploring advanced technologies, and in 2023, we had successfully applied quantum-encrypted technology in our smart switch products for a power grid project of our customer. We use quantum keys to encrypt remote control commands and status data, achieving high-security communication and control. This technology is still in the small-scale pilot application stage. We have also strategically explored the AIDC field since 2025, aiming to deploy power supply and distribution systems for the AIDC scenario. The initiative is currently at the system R&D stage. In March 2026, we have entered two agreement for the construction of two AIDCs with an aggregate consideration amount to RMB60.0 million. As of the Latest Practicable Date, the projects were in progress.

Meanwhile, we have expanded into the C&I energy storage business. Leveraging sustained investment in power electronics technology and deep understanding of power grids, we have successfully developed a grid-friendly grid-forming energy storage system. The system is capable of actively supporting grid voltage and frequency, enhancing stability in scenarios with high penetration of new energy or weak power grids. Relevant products have completed the development of engineering prototypes and have been delivered and put into operation in multiple microgrid projects. By integrating advanced technologies, we are establishing power trading and smart microgrid management systems for energy-intensive users such as enterprises in steel, non-ferrous metals and petroleum industries, supporting their participation in electricity trading market and virtual power plant aggregation, thereby enhancing energy utilization efficiency and digital level of our asset operations. Currently, the system is being piloted at a small number of customer sites and has not yet generated scaled revenue.

Robots: With over two decades of deep expertise in the field of industrial robot, we currently provide products and solutions including industrial manipulators, stackers, and inspection robots to grid companies and large industrial customers. In recent years, we have consistently enhanced the operational precision and efficiency of our robot products and solutions under complex working environments by integrating advanced visual recognition and decision-making algorithms. As of the Latest Practicable Date, we had delivered over a thousand projects in sectors including new energy, automotive, engineering machinery, and rail transit, and therefore had accumulated first-hand experience and expertise in multiple industries, enabling us to empower more industries and scenarios in the future.

Technological and Market Synergy Between Business Segments: Our business model integrates products and solutions. Our core products and solutions adopt a hardware-software combined design to address the digital and customized needs of customers in the energy and industrial sectors under various scenarios. Our two business segments share a common technology foundation and collaborative ecosystem, which enables us to achieve cost efficiency in our R&D efforts. Meanwhile, both business segments serve large industrial clients and share common customer channels, enhancing customer trust in us and reducing our overall new customer acquisition costs. For example, while supplying power distribution and consumption products and solutions to China's state-owned power grid and railway enterprises, we also provide them with our inspection robots as part of cross-selling strategy. During the Track Record Period, the two segments shared a common customer base consisting of 37 customers in total. Revenue attributable to this customer group during the Track Record Period amounted to RMB3,915.3 million in aggregate under the Power Equipment and Energy Storage segment and RMB725.1 million in aggregate under the Robots segment. Such synergies enable us to grow our business scale efficiently while optimizing incremental technological and operational expenditures. With our "shared technology, synergistic market" layout, we have become one of the innovators in the PRC capable of integrating advanced technologies and implementing solutions across multiple scenarios in energy and industrial sectors, according to Frost & Sullivan.

Our Market Opportunities

Currently, the global energy structure is transitioning to a new power system dominated by new energy, and the power industry is embracing a new round of development opportunities. In the past, policies supporting investment in the power system stimulated demand for products and solutions under our Power Equipment and Energy Storage segment. Looking ahead, such policy support and investment are expected to continue to increase in the foreseeable future, supporting growth of this segment. According to Frost & Sullivan, the market size of power equipment and energy storage industry in the PRC is projected to increase from RMB446.9 billion to RMB727.6 billion from 2025 to 2030, with a CAGR of 10.2%. The manufacturing industry is accelerating its upgrade toward digitalized, intelligent, and flexible production models, driving demand for industrial robots. Our robot products and solutions can address such demand and have been, and will continue to be, growing in line with market expansion both in the past and for the foreseeable future. According to Frost & Sullivan, the market size of industrial robots in the PRC is projected to increase fromRMB96.5 billion in 2025 to RMB196.7 billion in 2030, with a CAGR of 15.3%.

Our Financial Performance and the Impact of the Historical Disposals During the Track Record Period

In 2023, 2024 and 2025 and six months ended June 30, 2025 and 2026, our revenue was RMB3,024.5 million, RMB2,686.8 million, RMB3,015.1 million, RMB1,323.1 million and RMB1,523.8 million, respectively. We recorded a net loss of RMB170.7 million in 2023 and net profits of RMB61.6 million, RMB85.7 million, RMB79.3 million and RMB111.2 million in 2024, 2025 and for the six months ended June 30, 2025 and 2026, respectively.

We disposed of certain equity interests in several entities that were non-core or underperforming under our existing business segments, including Hongda Electric, Hefei Soongo, CSG Automate, and Huaxiao Precision in 2023 and 2024. As a result of the Historical Disposals, our financial statements in 2023 and 2024 had been impacted. In 2023, our revenue attributable to disposed subsidiaries in the Historical Disposals was RMB749.1 million, and loss attributable to such subsidiaries was RMB67.9 million. See "Financial Information — Results of Operations".

OUR COMPETITIVE STRENGTHS

Over Two Decades of Experience Forging a Solid Foundation and Stable Position in Power Equipment and Energy Storage and Industrial Robot Sectors in the PRC

We are a major technology enterprise that is driven by the dual engines of (i) Power Equipment and Energy Storage and (ii) Robots in the PRC in terms of revenue in 2025, according to Frost & Sullivan. We enjoy technological and market synergy between our two business segments. Over more than 20 years, we have developed strong technological expertise in product research and development and gained deep insights into customer needs, which together underpin our sustainable competitive advantages and solid market position.

Power Equipment and Energy Storage

In power distribution and consumption products and solutions sector, we have been providing products and solutions to power grids since 2002. According to Frost & Sullivan, we are one of the earliest companies in the PRC to enter the power distribution automation field. Particularly in the integrated primary-secondary circuit breaker field, we are one of the enterprises achieving R&D for power distribution switches, terminal equipment, and core components, demonstrating outstanding technology integration and productization capabilities. For new smart combine terminal products, we served as a technical support unit, participating in technical specification drafting, unified operating system R&D and industry-level application development and verification. In summary, we possess capabilities in overall smart grid and new energy solutions, core equipment manufacturing, and engineering services, holding a solid foundation and stable position in R&D capability, technological foresight, technology accumulation, product iteration, and scenario application.

In energy storage systems sector, we provide customized solutions for enterprises in energy-intensive industries including steel, non-ferrous metals and petroleum. These enterprises possess large-scale and stable annual electricity consumption, making them the most potential and promising customers in the fields of C&I energy storage and power trading, according to Frost & Sullivan. Therefore, we proactively deploy our capabilities in power trading and smart microgrid management systems, aim to establish a solid customer base in the market through refined energy operations.

Robots

In Robots sector, we have over two decades of experience in the R&D, sales and production of products and solutions. We also have nearly a decade of experience in the inspection robot field, focusing on practical implementation in working scenarios. In recent years, we have consistently enhanced the operational precision and efficiency of our robot products and solutions under complex working environments by integrating advanced visual recognition and decision-making algorithm. As of the Latest Practicable Date, we had delivered over a thousand projects in sectors including new energy, automotive, engineering machinery, and rail transit, and therefore had accumulated first-hand experience and expertise in multiple industries, enabling us to empower more industries and scenarios in the future.

Established "Generation-Grid-Load-Storage" Full Industry Chain Coverage in Power Equipment and Energy Storage, and Hardware and Software Integrated Platform Layout in Robots

Our Power Equipment and Energy Storage business segment is built around the full industry chain layout of "Generation-Grid-Load-Storage". See "— Our Products and Solutions — Our Power Equipment and Energy Storage Business" for details. Our product development extends beyond individual equipment to incorporate a systemic perspective. Through system-level integration, we deliver full-chain services spanning from individual equipment to comprehensive overall solutions, which constitute our sustainable competitive advantage over equipment providers with less comprehensive line of products.

Our Robots business segment has a hardware and software integrated platform empowered by our core algorithm. At the hardware layer, we possess complete design capabilities for mechanical structure, electrical systems, and complete machines. At the software layer, we cover full-chain development from entity control, inspection business logic, to cloud-based operation and maintenance platforms. We have established a unified "Perception — Control — Operations" (感知 — 控制 — 運維) technology platform, equipped with core algorithms, hardware interfaces, and communication protocols standardized. Our different robot models share access to the CRKS intelligent operation and maintenance platform, our unified software foundation, enabling rapid cross-scenario adaptation and high reusability. Such integrated platform layout is our sustainable competitive advantage over providers without such integrated platform covering both hardware or software.

Strong R&D Capabilities Driving Our Continuous Innovation

R&D is at the heart of our innovation. Our strong R&D capabilities have allowed us to develop numerous innovative products and solutions. Our cumulative total research and development expenses during the Track Record Period amounted to RMB740.3 million. We have formed a R&D team which enables us to maintain technological competitiveness through innovation. As of June 30, 2026, our R&D team comprised 723 employees, accounting for 43.1% of total staff. Our sustained R&D investment and accumulation represent a sustainable competitive advantage over industry players with less R&D capacities.

While emphasizing independent innovation, we highly value R&D collaboration, and have established strong R&D and technology exchange relationships with numerous top universities and research institutes. We continuously accumulate experience in industrializing research outcomes, targeting technological breakthroughs through joint innovation, ensuring technological competitiveness. As of June 30, 2026, we held 229 invention patents, 349 utility model patents, 59 design patents, and 268 software copyright registrations. Our R&D achievements and core technologies by business segment are as follows:

Power Equipment and Energy Storage

Our key products and solutions consist of (i) power distribution and consumption products and solutions and (ii) energy storage systems.

In power distribution and consumption products and solutions business, we consistently promote technology and product innovation, integrating advanced technologies to empower the digital upgrading of power. We have integrated advanced IoT technologies to build the Power Distribution IoT Platform, a precise fault identification and diagnosis platform for smart power distribution and consumption scenarios.

Over the years, we have actively introduce advanced algorithms to optimize system decision-making and control efficiency, providing critical support and feasible pathways for power system digital transformation. Meanwhile, our laboratory was certified as CNAS Laboratory in 2021, which signifies that the technical competence in testing and management level of our laboratory is recognized at both the national and international levels, thereby ensuring the quality of our products.

As to deployment in advanced technologies, we applied quantum-encrypted technology in our smart switch products in 2023, which ensures secure and reliable data transmission. The product enables secure connection to power distribution automation master stations, meeting remote wireless control needs for overhead distribution lines. Such switch has been implemented at a provincial branch of a major state-owned power grid company.

In energy storage systems sector, leveraging over two decades of accumulated expertise in grid equipment R&D, we successfully developed a grid-friendly grid-forming energy storage system, which can effectively emulate synchronous generator characteristics, providing critical functions like virtual inertia support, voltage frequency regulation, and system stability control for grids with high renewable penetration. This technological breakthrough reflects our forward-looking layout in new power system construction and provides reliable technical solutions for renewable integration and grid stability. Furthermore, we integrate advanced technologies with EMS, building a "Pre-day, Intra-day and Real-time (日前、日中、實時)" three-level rolling optimization system, capable of dynamically analyzing market signals, flexibly formulating trading and charge/discharge strategies, achieving the core objective of minimizing user electricity procurement costs.

Robots

In our Robots business, we continuously integrate machine vision, force control sensing, and other technologies with traditional mechanics, deploying new algorithms in equipment maintenance through our CRKS intelligent operation and maintenance platform. We self-develop a navigation system, possessing capabilities for multi-sensor fusion, semantic recognition, scene reconstruction, path planning, anomaly recognition, and autonomous decision-making. We are committed to providing customers with robot products and solutions that feature advanced technologies, cost-effectiveness, and broad-scenario adaptability.

Extensive Customer Coverage and Multi-Scenario Solution Capabilities

We have formed market synergy between our two business segments, both of which serve large industrial clients and share common customer channels. We have established, and expect to maintain, cooperative relationships with these customers, which constitutes one of our sustainable competitive advantages.

Extensive Customer Coverage

Power Equipment and Energy Storage

In power distribution and consumption products and solutions sector, we have served all state-owned national power grid companies in the PRC. We also serve large industrial clients outside the grid system such as enterprises in the petroleum sector. Our marketing and after-sales service network covers 31 provincial administrative regions nationwide.

In energy storage systems sector, enterprises in energy-intensive industries exhibit strong demand for green and low-carbon transformation, cost reduction, and efficiency enhancement. Leveraging our mature product technology accumulation and extensive project experience, we have supplied products to multiple leading enterprises in sectors such as steel, non-ferrous metals, and petroleum.

As part of our efforts to further broaden our product offerings and expand our overseas customer coverage, in May 2026, we acquired a 70.0% equity interest in Yuanguang Electrical. The acquisition added a complete transformer product line and related manufacturing capabilities to our Power Equipment and Energy Storage business. In addition, we expect to leverage Yuanguang Electrical's existing certifications for overseas markets and established sales channels to support our expansion into relevant overseas markets, facilitate the overseas promotion of our products and broaden our overseas customer coverage. See "History, Development and Corporate Structure — Acquisition — Acquisition of Yuanguang Electrical" for details.

Robots

We have established an extensive customer network across key industries including new energy, automotive, engineering machinery, and rail transit, where we had successfully delivered over a thousand projects. For overseas expansion, we have successfully entered markets including but not limited to the Middle East, Hungary, and Brazil. Based on accumulated know-how from customers across different industries, we possess strong industry empowerment capabilities and customized response efficiency.

Well-Developed Customer Service System

We have established a comprehensive pre-sales, in-sales, and after-sales service system, providing timely, high-quality services to enhance customer satisfaction and loyalty. In pre-sales service, we offer professional consulting and customized solutions based on client needs, providing expert advice on technical feasibility, cost-effectiveness, and other aspects. In in-sales service, we strictly control product delivery schedule and quality, ensuring on-time, high-quality delivery. In after-sales service, we promptly accommodate to service requests with a rapid response mechanism, offering 7×24 remote monitoring and technical support, quickly resolving operational issues, and providing equipment maintenance, repair, and technical upgrade services. Additionally, we provide a hybrid support model of "on-site engineers + remote experts," and based on equipment connectivity and big data analytics, achieve aftermarket service innovations like predictive maintenance and energy efficiency optimization, providing customers with full lifecycle digital operation and maintenance services.

Forward-looking and Experienced Management Team Driving Long-Term Development

We are led by an experienced management team with deep industry understanding. Our chairman, Mr. Huang Mingsong, holds a Ph.D. and has over 20 years of industry experience. Under his leadership, we have achieved remarkable success and a key position in power equipment and energy storage and robots sectors.

In addition, our management team comprised other talents among our business segments. Our chief executive officer, Ms. Wang Tingting, holds a master's degree with over 18 years of industry experience and over 18 years of service at the Company. She has extensive experience in marketing, technology, and team management. Our vice president, Mr. Liu Wei, holds a Ph.D. and is a senior engineer. He serves as the dean of our research institute. He has long been engaged in research in industrial internet, AI, smart manufacturing, and new energy, with years of frontline practical experience in AI and smart manufacturing. Our vice president, Mr. Qin Minghui, holds a master's degree and is a senior principal engineer. He serves as the director of Anhui Manufacturing Innovation Center. With nearly 18 years in power industry R&D, he has participated in formulating multiple national and industry standards and has received numerous provincial honors and awards.

We believe our forward-looking and experienced management team has been a key factor in our past success. They can efficiently and accurately seize emerging opportunities arising from rapidly evolving industry trends and will continue to lead us to outstanding achievements in the future.

OUR STRATEGIES

Consolidate Technological Advantages in Our Two Business Segments, and Enhance AI Empowerment to Expand and Deepen our Adaptability to More Application Scenarios

Leveraging our profound insights into application scenarios, we will continue to increase R&D investment in the adaptability and large-scale deployment capabilities across diverse settings for our business. We focus on driving integrated innovation in power electronics, AI, and quantum technology, and aim to strengthening the synergistic advantages across our technology, talent, resources, and application scenarios to ultimately drive the sustainable growth of our businesses.

- For Power Equipment and Energy Storage segment, as an incremental enhancement to our current products and solutions, we intend to focus on key areas as supported by national policies in Generation-Grid-Load-Storage integration, direct green power connection, and smart microgrids to support large-scale implementation of new business models for local renewable consumption. With a goal to develop the full Generation-Grid-Load-Storage value chain, we commit to deploying active power distribution networks and energy storage technologies and integrating power electronics, AI, and carbon monitoring to develop edge intelligent devices and integrated smart energy monitoring, dispatch and trading system, continuously serving the digital and intelligent transformation of power distribution networks, further broadening and deepening Generation-Grid-Load-Storage integrated application scenarios.

  Leveraging over two decades of expertise in power electronics and a deep understanding of grid requirements, we plan to strategically develop key equipment for the AIDC scenario, particularly the SST. We plan to continuously develop AIDC-related HVDC power supply and distribution products over the next three years, providing mature and reliable power supply and distribution solutions for AIDC and achieving large-scale commercial deployment. Besides, we are actively advancing the R&D and application of equipment that integrates quantum technology with the power grid, aiming to enhance the grid's perception and autonomous decision-making capabilities, thereby evolving it from passive response to active prediction and intelligent dispatch.

- For Robots segment, as an incremental enhancement to our current products and solutions, we will increase investment in AI algorithm optimization, joint module development, flexible collaborative arms, and other new product and service transformation. Based on our existing customer coverage in sectors including engineering machinery and rail transit, we will develop new application scenarios in various industries, covering gas and chemicals, new energy operations and maintenance, and road/bridge/tunnel utility tunnels.

Moreover, we will continue to invest in professional laboratories and advanced R&D tool platforms. Leveraging the foundation of industry-university-research (產-學-研) collaboration, we intend to strengthen joint innovation with universities and institutes to accelerate technology innovation, continuously transforming core technologies into products and solutions suitable for large-scale delivery, with stable quality and deep integration with digital systems.

Strengthen Sales Network, Broaden Our Customer Base and Improve Customer Service

We plan to continue solidifying our advantages in comprehensive solution design, strong technical capabilities, product quality, localized services, continuous R&D innovation, and excellent credit. We will strengthen our sales team and network building and continue serving our accumulated premium clients. We will further penetrate into key regions like Yangtze River Delta, Pearl River Delta, and Beijing-Tianjin-Hebei and explore new regions and more premium clients, aiming to cover all major domestic cities.

We also plan to explore overseas markets by leveraging relatively mature domestic supply chains and R&D advantages, adopting targeted and differentiated strategies for different markets, and vigorously developing overseas premium clients and incremental markets. We plan to prioritize markets in the Middle East, serving local national strategies, and providing high-quality power equipment and energy storage products and solutions to meet local demand.

We aim to continue improving our customer service system, providing comprehensive pre-sales, in-sales, and after-sales services, establishing and maintaining good client relationships, better responding to and meeting customer needs, and enhancing customer satisfaction.

Develop Global Supply Chain Capabilities and Improve Operational Efficiency

We plan to promote global production capacity and supply chain layout with focus and in phases, strengthening intelligent, integrated industrial-grade production capabilities from R&D to delivery.

- We will focus on advancing domestic capacity layout, investing in the construction of an industrial base project in Hefei, Anhui, manufacturing of our products under our Power Equipment and Energy Storage segment and further increasing investment in new power system fields.

- We intend to invest in overseas markets, such as the Middle East, with high potential, strong localization policy drivers, friendly business environments, and relatively well-developed supply chain foundations.

- We plan to leverage economies of scale achieved from our years of operation to improve supply chain efficiency. Through global supply chain layout and increased localized sourcing for core components, we believe we can ensure our global supply chain security, further enhancing our service capabilities.

Attract and Develop High-Quality Talent to Drive Growth and Achieve Strategic Goals

We plan to continue leveraging the advantages of our integrated industry-university-research-application (產-學-研-用) system, continuously attracting technical talents from top universities and research institutes, providing a smooth path for efficient transformation of their research outcomes, continuously strengthening our R&D team's innovation capability and professional level. We aim to continuously reinforce the dual drive of talent acquisition and team cultivation, optimizing key position allocation, and building more capable technical and market teams. We will continue improving training systems, providing comprehensive learning opportunities and growth paths, enhancing organizational resilience and sustained operational capability, and building a solid human resource guarantee system for continuous company growth.

Drive Green Sustainable Development adhering to high ESG Standards

We are committed to upholding our social responsibility, driving green sustainable development with high ESG standards. We consistently track the latest international ESG standards to continuously improve our internal ESG management. We will stick to the manufacturing goals of "integration, intelligence, greenization," responding to the "Carbon Peak" and "Carbon Neutrality" green economy call. As of the Latest Practicable Date, our Shanghai and Hefei industrial parks had established rooftop solar power stations for self-consumption, with surplus electricity fed back to the grid, achieving a low-carbon virtuous cycle. We plan to further systematically implement green design, environmentally friendly material selection, green processes, and clean production, continue promoting waste recycling and emission control, with an aim to minimize resource consumption, environmental impact, and maximize material recyclability throughout the product lifecycle. We also assess the carbon emission levels of our offices and production bases. We will develop plans to reduce the carbon footprint of our production bases and achieve carbon neutrality in the long run.

We continuously integrate environmental elements into our business, helping customers transform their facilities from traditional, high-energy-consumption, labor-intensive models to low-energy-consumption, environmentally friendly, and technology-driven operational models. We intend to maintain a green supply chain to minimize carbon emissions. When selecting suppliers, we emphasize on several green initiatives, such as distance from our production bases, use of environmentally friendly protective materials, equipment energy efficiency, and component reuse rate, to promote green sustainable production.

OUR PRODUCTS AND SOLUTIONS

Our two major business segments are (i) Power Equipment and Energy Storage and (ii) Robots. The following diagram illustrates our business segments, products and solutions, and downstream applications.



The following table sets forth a breakdown of our revenue by business segment during the Track Record Period.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Power Equipment and Energy Storage	2,000,676	66.1	2,101,174	78.2	2,314,292	76.8	979,362	74.0	1,150,914	75.5
Robots	1,023,862	33.9	585,641	21.8	700,822	23.2	343,701	26.0	372,892	24.5
Total	**3,024,538**	**100.0**	**2,686,815**	**100.0**	**3,015,114**	**100.0**	**1,323,063**	**100.0**	**1,523,806**	**100.0**

See "Financial Information — Description of Major Components of Our Results of Operations — Revenue" for more details.

Our Power Equipment and Energy Storage Business

Our Power Equipment and Energy Storage business segment primarily provides power distribution and consumption products and solutions, along with energy storage system products, to state-owned grid companies and large energy-intensive enterprises such as those in the steel, petroleum, and metallurgy industries.

We have strategically positioned ourselves across the entire power industry chain encompassing Generation-Grid-Load-Storage.

- **On the Generation Side:** We provide products and solutions for grid-integration of new energy equipment, covering key equipment such as distributed generation connection units, distributed photovoltaic protocol converters, and smart IoT meter photovoltaic modules. Starting August 2024, Chinese national and local policies required distributed photovoltaic projects to possess observability, measurability, controllability, and adjustability ("可觀、可測、可控、可調") (i.e., "Four Abilities") ("四可"). We responded rapidly, with Four Abilities solutions covering over ten provincial grid companies including those in Shandong and Jiangxi.

- **On the Grid Side:** We provide a wide range of products like integrated primary-secondary circuit breakers, ring main units, FTU and DTU, meeting multi-scenario needs for distribution network automation with an advanced product matrix.

- **On the Load Side:** We provide low-voltage distribution area and electricity consumption collection systems, including smart combine terminals, dedicated transformer acquisition terminals, smart measuring switches, and smart electricity meters.

- **On the Storage Side:** Focusing on grid and user needs, we offer containerized energy storage system and C&I energy storage cabinets, and based on grid operation principles, we have developed a grid-friendly grid-forming energy storage.

Through system-level integration, we deliver services providing comprehensive overall hardware + software solutions. We focus on key national policy priorities, including Generation-Grid-Load-Storage integration, direct green power connection, and smart microgrids, providing critical support for the large-scale implementation of new business models focused on local consumption of new energy.

The following diagram illustrates how products under our Power Equipment and Energy Storage segment are applied across the entire energy ecosystem, encompassing Generation-Grid-Load-Storage.



Power Distribution and Consumption Products and Solutions

As one of the earliest companies in the PRC to enter the power distribution automation field, we are dedicated to the R&D, production, and sales of power distribution and consumption products and solutions for years. We have consistently provided integrated solutions, leveraging our hardware and software integrated capabilities.

Our main products include integrated primary-secondary circuit breakers, ring main units, FTU and DTU, and low-voltage distribution area and electricity consumption collection systems. The integrated primary-secondary circuit breakers are available in capacitor-powered type and fault location type, etc. The fault location type device is a novel product that integrates capacitor power take-off and traveling wave fault location technologies. In addition to current breaking and protection functions, it also enables fault judgment, isolation, and self-healing capabilities for overhead lines. For ring main units, we offer 10kV digital ring main units and eco-friendly gas-insulated ring main units. These ring main units perform functions such as power distribution, line protection, operation, and monitoring. FTU and DTU are distribution automation terminals primarily used in power distribution lines or substations. They provide functions such as fault monitoring, communication, and control protection. The low-voltage distribution area and electricity consumption collection systems encompass products like smart combine terminals, dedicated transformer acquisition terminals, smart measuring switches, and smart electricity meters, enabling data collection and electricity consumption management. Our distributed renewable energy grid-integration products center around the distributed generation connection unit. They perform functions such as photovoltaic data collection, operational status monitoring, adaptive protocol recognition, and flexible control.

The following table sets forth a brief description of our bestselling products:

Category	Product	Illustration	Description
Integrated primary and secondary circuit breakers	Pole-mounted circuit breaker		A digital distribution device that integrates primary equipment (such as circuit breakers, disconnectors, etc.) and secondary equipment (such as protection devices, measuring devices, etc.). It is widely used on 10kV overhead distribution lines, serving the functions of breaking, controlling, protecting, and collecting line loss data.
Ring main units	Integrated primary-secondary type		A device adopts an integrated primary-secondary design, combining power distribution and control, line protection, and operation and monitoring into a single system. It utilizes edge computing and advanced algorithms to achieve equipment status awareness, fault prediction, and intelligent maintenance. It is suitable for urban distribution grids, industrial parks, and rail transit.
FTU/DTU	FTU		A terminal that provides fault detection, protection control, and communication functions (when equipped with a communication module). It is used in conjunction with capacitor-powered, integrated pole-mounted circuit breakers and is suitable for overhead distribution lines.
	DTU		A terminal that include functions such as telemetry, remote control, electric energy metering, protection, and communication. It achieves power distribution network automation functions such as monitoring the operating status of power distribution lines, fault identification, fault isolation, and restoration of power supply to non-fault areas.
Low-voltage distribution area and electricity consumption collection systems	Smart combine terminal		A new generation of distribution area smart terminal, which integrates distribution transformer terminal, concentrator, and smart three-phase meter, provides functions such as data acquisition, data processing, equipment operation status monitoring, electric energy metering, orderly power consumption, and edge computing.
	Dedicated transformer acquisition terminal		A terminal primarily used for electricity consumption information management of dedicated line users and dedicated transformer users. The device connects electricity meters through multiple communication protocols, functions such as real-time meter reading, load control, and operational condition monitoring.
	Smart measuring switch		A terminal that provides functions such as metering box management, electricity theft warning, power outage event reporting, and line loss analysis.
	Smart electricity meter		A terminal that provides functions such as electric energy measurement, data processing, real-time monitoring, automatic control, and information interaction.
Distributed renewable energy grid-integration products	Distributed generation connection unit		A terminal that provides functions like distributed photovoltaic data acquisition, operational status monitoring, protocol self-adaptive identification, and flexible control.

Category	Product	Illustration	Description
Transformers	Main transformer		A type of electrical equipment primarily used in power plants, substations, renewable energy step-up substations and large-scale industrial power systems. It performs functions including voltage transformation, power collection and transmission. Our main transformers primarily comprise oil-immersed transformers, which feature relatively low no-load and load losses, effective control of temperature rise and partial discharge, and strong short-circuit withstand and overload capabilities.
	Distribution transformer		A type of electrical equipment primarily used in distribution grids and at customer premises to convert medium-voltage electricity to the voltage levels required by end-use loads and distribute electricity. Our distribution transformers comprise oil-immersed and epoxy resin cast dry-type transformers, which feature stable operation, reliable insulation performance and strong short-circuit withstand capability, and are suitable for a variety of installation environments and power consumption scenarios.

Furthermore, we have integrated advanced IoT technologies to build the Power Distribution IoT Platform, a precise fault identification and diagnosis platform for smart power distribution and consumption scenarios. This platform leverages smart terminals to achieve comprehensive multi-dimensional collection of electrical parameters, equipment status, and environmental data. Simultaneously, by utilizing algorithms such as deep learning, this platform not only accurately identifies complex faults like high-impedance grounding but also achieves proactive early-warning for potential risks such as insulation degradation based on data trends. This platform shifts the power distribution and consumption operation and maintenance model from passive response to proactive warning and predictive maintenance.

Based on these capabilities, we have integrated the platform with our smart power distribution and consumption products to form a complete high-reliability solution for distribution networks. Through hardware-software collaboration, our solution covers the entire chain from comprehensive equipment perception and intelligent diagnostics to mobile operations and maintenance.

Energy Storage Systems

Building on our years of experience in the smart power distribution and consumption field, we have expanded into the C&I energy storage business. We focus on the R&D, production, sales and service of energy storage systems. We focus on customized solutions for vertical sectors, especially energy-intensive industries like steel, non-ferrous metals and petroleum. We have successfully developed and deployed a grid-forming PCS-based integrated photovoltaic and storage unit in the petroleum industry, making us among the pioneers in the field to achieve this milestone, according to Frost & Sullivan. Leveraging precise understanding of user energy consumption characteristics, we provide highly customized solutions, achieving a strategic upgrade from a single equipment supplier to a comprehensive energy solution provider. According to Frost & Sullivan, our C&I energy storage system shipment volume ranked among China's top ten in 2025. Specifically, within the high-energy-consumption segment, our C&I energy storage system ranked among China's top three by shipment volume in 2025.

Our hardware products cover energy storage systems and key components. Our energy storage systems include All-in-One C&I energy storage cabinets, containerized energy storage systems, and All-in-One integrated photovoltaic and storage units, and our key components primarily encompass core equipment such as PCS and EMS. Leveraging sustained investment in power electronics technology and deep understanding of power grids, we have innovatively launched grid-friendly grid-forming energy storage systems to address the challenges posed by the integration of high

proportions of renewable energy and power electronic devices to grid stability in remote areas. These products simulate the operational characteristics of synchronous generators, providing virtual inertia, voltage and frequency regulation, and stability control capabilities, effectively enhancing grid reliability.

Our software products focus on user-side energy management, with core offerings including intelligent microgrid management systems. As China's electricity market reforms extend from the generation side to the user side, the user side not only copes with operational challenges like intermittent renewable generation, load fluctuations, and energy storage coordination but also handles the pressure of massive real-time data and complex trading decisions in the electricity spot market, according to Frost & Sullivan. In this context, energy management systems capable of integrating advanced algorithms when conducting intelligent analysis, strategy optimization, and risk management have become key tools for user-side market participation, enabling energy optimization and value enhancement.

The following table sets forth a brief description of our energy storage solutions:

Category	Product	Illustration	Description
Complete unit	All-in-one C&I Energy storage cabinet		This unit integrates the battery packs, PCS, BMS, EMS, fire protection system, and temperature control system into a modular, plug-and-play design. It features high safety, strong environmental adaptability, and intelligent dispatch capabilities, and enhances user profitability through methods such as peak-valley arbitrage and demand management.
	Containerized energy storage system		This highly integrated modular solution is factory pre-assembled with battery packs, BMS, PCS, and a fire protection system. It features short deployment cycles and high space utilization, supports operation in extreme environments ranging from -40°C to 50°C, and is equipped with multiple safety protections and an intelligent management system.
	Integrated photovoltaic and storage unit		This energy solution integrates energy storage and photovoltaic. Utilizing a highly integrated design, flexible capacity configuration, intelligent management, and virtual synchronization technology, it achieves seamless switching between grid-connected and off-grid modes. The system is well-suited for off-grid or microgrid applications, such as islands, mining areas, and other locations without grid access.
Core components and parts	Grid-forming energy storage PCS		This component utilizes advanced virtual synchronous generator technology to simulate the physical characteristics and operational mechanisms of traditional synchronous generators. It automatically regulates reactive power, actively support grid voltage, and enhances grid stability. These capabilities make it particularly suitable for islanded operation or weak grid scenarios.
Software	EMS controller		A localized energy control unit, integrated hardware and software, which is a local intelligent terminal product with embedded software at its core.
	Intelligent microgrid management system		Our intelligent microgrid management system leverages advanced algorithms and coordinates core modules – including power forecasting, optimization solving, and online learning to achieve optimal scheduling and intelligent control of microgrid resources.

Case study of Our Comprehensive Solutions

- **Steel Plant Energy Storage Gas-Power Coordinated Project**. Addressing the core needs of steel enterprises to reduce energy consumption per tonne of steel and electricity costs, this solution fully utilizes the client's self-owned blast furnace gas power plant. It leverages the advantages of electrochemical energy storage systems, such as rapid response and flexible regulation, and coordinates peak shaving with converter gas holders to achieve resource complementarity. The solution can effectively control the load of electricity purchased from the grid during peak hours, reduce the proportion of peak electricity consumption and overall electricity costs, thereby helping enterprises achieve cost reduction and efficiency improvement. Simultaneously, the system can coordinate with the power grid to provide peak shaving services, which is particularly beneficial during periods of tight power supply, such as peak summer periods. This enhances the security and stability of the regional power grid and provides strong support for building the new power system.

Our Energy Storage System in a Steel Enterprise





- **Oilfield Integrated Photovoltaic and Storage Unit Project**: To address the oilfield's needs for green transformation and reliable power supply, we have developed a grid-forming integrated photovoltaic and storage unit. This unit works in coordination with the onsite photovoltaic array to form a purely off-grid power supply system, providing stable electrical support for wellbore electric heating equipment. The project is specially equipped with black start capability, which preserves autonomous rapid recovery capacity after extreme low-light power outages. This provides reliable power guarantee for long-term unattended oilfield operations, solving the insufficient dynamic response of traditional UPS in off-grid scenarios. It has become a benchmark solution for new energy power supply in oilfields.

Oilfield Intelligent Microgrid Management System



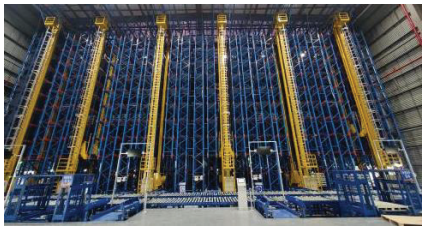
Oilfield Integrated Photovoltaic and Storage Unit



Our Robots

We provide products and solutions under our Robots segment, including industrial manipulators, stackers and inspection robots, to grid companies and large industrial enterprises. We have over 20 years of experience in the industrial manipulator field, covering the vast majority of leading domestic automotive manufacturer clients, establishing a strong channel network and customer base. We have nearly a decade of experience in the inspection robot field, focusing on practical implementation in working scenarios which covering industries including electric power, rail transit, air separation, petroleum, energy and steel, and have completed numerous project deliveries.

We offer hardware products such as industrial manipulators, stackers and inspection robots. The following sets forth a brief description of our hardware products under Robots segments:

Product	Illustration	Description
Industrial Manipulators		Capable of mimicking human hands to perform precise operations such as grasping and handling. With its high flexibility and reliability, it ensures precise and efficient production.
Stackers		Capable of automatically store, retrieve, and transport materials within aisles of high-rise shelves. It effectively addresses challenges in traditional warehouses including low efficiency, inability for personnel to operate in special environments, and restricted human access in high-precision manufacturing areas.
Inspection robots		Categorized into wheeled, legged, and rail based types, our inspection robots include over ten models of inspection robots. They can replace manual labor in performing heavy and repetitive inspection tasks, thereby reducing operational and maintenance costs while enhancing the level of intelligence.

We offer software products including CRKS intelligent operation and maintenance platform. The CRKS intelligent operation and maintenance platform integrates core systems for robot motion control, multi-modal visual recognition, 3D modeling, and incorporates industry large models, station control platforms, ground control systems, and IoT auxiliary control modules. Designed with a modular architecture, the platform can be rapidly adapted to various robot configurations and mobile platforms, forming efficient intelligent inspection solutions widely used in industry scenarios such as power, rail transit, and intelligent operations, effectively enhancing the level of automated inspection and operational efficiency.

Case study of Our Robots Products and Solutions

We have developed solutions for the following industrial scenarios:

- **Industrial Manipulators and Stackers Solutions:** We can provide comprehensive solutions for fields such as automotive, engineering machinery, new energy, and new materials. In the automotive manufacturing sector, our developed industrial manipulators already fully cover all process stages of passenger vehicle production. In the lithium battery manufacturing field, our stackers have been successfully applied in production lines of numerous industry leading customers.

Industrial Manipulators in Automotive Manufacturers' Overseas Projects



Stackers Applied in a Lithium Battery Enterprise Project

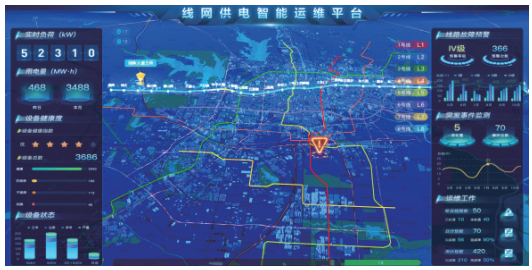


- **Inspection Robot Solutions:** We are capable of providing smart operation and maintenance solutions featured by inspection robots for various industries such as electric power, rail transit, and air separation. The core functions of our power supply smart operation and maintenance solution include operational monitoring, data analysis, health management, and emergency command. This solution can effectively ensure the stable operation of power supply equipment, enhance emergency response capabilities, reduce the intensity of maintenance and support work, and improve operational efficiency. Our inspection robot solution has been deployed in multiple China's largest state-owned power grid company power distribution stations, substations, and subway companies across China.

Indoor Intelligent Inspection System for Urban Rail Transit Power Supply Systems



Power Supply Operation and Maintenance Platform for Urban Rail Transit



RESEARCH AND DEVELOPMENT

R&D is at the heart of our innovation. Our strong R&D capabilities have allowed us to develop numerous innovative products and solutions. By maintaining a solid focus on research and technological advancement, we continue to develop in power equipment and energy storage and robots sectors, pushing the boundaries of automation with solutions that meet a wide range of users' needs.

Our Key Technologies and Major R&D Achievements

As of June 30, 2026, we held 229 invention patents, 349 utility model patents, 59 design patents, and 268 software copyright registrations. As of the Latest Practicable Date, we had also participated in formulating ten national and industry standards and have received 47 awards, including the *First Prize of the 2025 Electric Power Science and Technology Progress Award*.

We set out below the details of certain of our key technologies and major R&D achievements:

- **Rapid Fault Localization and Isolation in High-Proportion Distributed Generation Power Distribution Systems with Islanding Operation Control Technology.** We were awarded the *First Prize of the 2025 Electric Power Science and Technology Progress Award* for this technology. It addresses scenarios involving a high proportion of distributed generation resources. In the event of a power distribution network faults under traditional operation methods, an anti-islanding protection will be triggered, causing power generation including distributed photovoltaic and energy storage systems to disconnect from the grid, leading to the problem of "a valid but void power generation". Aiming at rapid fault recovery and stable operation of islanded microgrids, this project tackled nine key technical challenges across three aspects. We have successfully applied these project outcomes in settings where the power supply is critical, such as large-scale sporting events, as well as in power distribution networks across multiple provinces and cities, significantly improving power supply reliability and distributed energy integration capacity.

- **Key Technology for Dynamic Partitioning, Control, and Protection of Distribution Networks Considering High-Penetration Distributed New Energy Integration**. We were awarded the First Prize of the 2023 Anhui Provincial Science and Technology Progress Award for this technology. It precisely focuses on the core requirements for the safe and stable operation of power distribution networks under high-penetration distributed new energy integration. It has successfully tackled three key technologies under complex operating conditions: rapid fault location in power distribution networks, zonal self-healing reconfiguration, and grid-connected/islanding control for microgrids. By integrating distributed generation resources, energy storage, and diverse loads, it has established a multi-scenario demonstration for intelligent power distribution network operation. This provides a systematic and practical technical solution to the operational challenges of power distribution networks with high renewable energy penetration.

- **Quantum-Encrypted Smart Switches Technology.** In 2023, we applied quantum-encrypted technology in our smart switch products. Utilizing quantum encryption technology, they ensure the security and reliability of data transmission, enabling secure integration with the power distribution automation master station and meeting the requirements for remote wireless communication and control of overhead power lines. Currently, such products have been implemented in operation at a provincial branch of a major state-owned power grid company.

- **Grid-forming Energy Storage Technology.** This product can effectively simulate the operational characteristics of synchronous generators, providing virtual inertia support, voltage and frequency regulation, and system stability control for grids with high penetration of renewable energy. Currently, the product has passed the CNAS test report issued by a third-party testing institution recognized by the National Energy Administration, providing a reliable technical solution for addressing renewable energy integration and ensuring secure and stable grid operation.

- **Multi-modal AI Visual Recognition Technology.** This is a multi-modal, multi-task visual recognition technology that establishes a unified training method, unified task format, and diverse downstream tasks, bridging the channel between the business end and the training end. It solves industry challenges like high training costs and high marginal application costs. It has aggregated enormous samples from industries including power, rail transit, and air separation, applied multiple algorithmic components, and constructed numerous general-purpose recognition modules, achieving recognition of features, defects, behaviors, and common objects in complex scenes.

Our R&D Talents

We boast a highly experienced R&D team of 723 employees as of June 30, 2026, led the following technical experts with extensive knowledge in their respective fields.

- **Mr. Qin Minghui**, a vice president of our Power Equipment and Energy Storage business, holds a master's degree and is a senior principal engineer. He serves as a director of the Anhui Provincial Engineering Technology Research Center for Power Distribution Utilization Communication and Control and a director of the Anhui Provincial Intelligent Power Distribution Equipment Center (Manufacturing Innovation Center). With nearly 18 years of experience in research, development, and management within the power industry, he is recognized as a Class C Talented Individual in Anhui Province. He has been granted 35 invention patents, awarded three provincial-level Science and Technology Progress Awards (First Class), and has participated in the formulation of five national and industry standards.

- **Mr. Wang Mengyu**, a chief engineer of our Power Equipment and Energy Storage business, holds a master's degree and is a senior principal engineer. With over ten years of experience in R&D in the electric power industry, he has long been engaged in the R&D and application of intelligent terminals, communication technologies, and new energy-related products in the field of low-voltage power distribution and consumption. He has successfully promoted the commercialization of several core technologies and has received multiple provincial-level honors and awards.

- **Mr. Chen Leigang**, a R&D director of our Power Equipment and Energy Storage business, has nearly 13 years of expertise in power industry, specializing in 10kV distribution network primary and secondary integrated equipment.

- **Mr. Xu Ke**, a R&D director of our Energy Storage Systems business, has over five years of experience in energy storage system integration.

- **Mr. Li Lin**, the general manager of Hefei CSG Robot, has 18 years of experience in the fields of industrial automation and artificial intelligence. He has received eight provincial and municipal science and technology awards, one provincial-level outstanding talent title, has participated in drafting one national standard, and has been granted 18 invention patents and six utility model patents.

- **Mr. Zhang Haibing**, our R&D director for Robots business, has over 11 years of experience in intelligent robotics and artificial intelligence, contributing to our robotic business and solutions.

Together, their leadership ensures us to remain at the forefront of the industry.

Many of our R&D team members come from leading technology firms and possess deep expertise in both technology architecture and algorithm development, ensuring seamless integration of hardware and software in our products and solutions. As of June 30, 2026, the team consists of above 70 master's degree or above holders with extensive R&D experience in energy and robotics, embedded systems, as well as participation in national and international relevant competitions.

Our R&D team structure consists of a R&D center of the Group at our headquarters and several dedicated R&D departments within our subsidiaries. The R&D center of the Group is responsible for project development at the group level. Each business section has its own research department, which is established within the corresponding subsidiary of that section.

Our core team has remained highly stable, which has been critical to our rapid growth over the past years. We also implement strong risk management measures and ensure that core technology rests with key personnel. This approach enhances our resilience and enables us to identify and resolve issues efficiently.

R&D Process

The R&D process covers the entire product lifecycle, divided into five phases: (i) **Conceive Phase:** Defines requirements through the market demand management process and establishes projects. Feasibility is determined via senior management decision reviews; (ii) **Plan Phase:** Forms a cross-functional product development team, creates development plans, and identifies CBB reuse and development needs; (iii) **Develop Phase:** Employs layered, asynchronous development for hardware and agile iterations for rapid software delivery. Prioritizes using CBB modules to reduce risks; (iv) **Verify & Launch Phase:** Implements full-process quality control and scenario-based validation. Software products adopt version-level agile management to support parallel deliveries for multiple scenarios; and (v) **Manage Lifecycle Phase:** Continuously optimizes the CBB library, phases out redundant modules, and updates technology roadmaps, forming a "develop-reuse-optimize" closed loop.

We create a "structured + agile (結構化+敏捷)" model by integrating IPD and agile development: project-level agility addresses development and integration issues, version-level agility balances demand responsiveness with efficiency, and product-level agility supports scenario-based customization. Through this system, our R&D efficiency has improved.

R&D Investment and Collaboration

Our cumulative total research and development expenses during the Track Record Period amounted to RMB740.3 million, comprising RMB512.1 million invested in Power Equipment and Energy Storage segment and RMB228.2 million invested in Robots segment. This ongoing investment in R&D reflects our commitment to innovation and maintaining a competitive edge in product development and intellectual property protection. The following table sets forth our research and development expenses by product category in absolute amounts and as a percentage of our total research and development expenses for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
Products/Solutions	**2023**		**2024**		**2025**		**2025**		**2026**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000*	*%*
Power Equipment and Energy Storage										
– Power Distribution and Consumption Products and Solutions	105,821	40.8	111,752	57.5	119,073	64.7	50,815	60.5	65,661	63.8
– Energy Storage Systems	35,427	13.6	23,285	12.0	10,967	6.0	5,800	6.9	7,187	7.0
– Charging Pile[(1)]	32,880	12.7	–	–	–	–	–	–	–	–
Sub-total	**174,128**	**67.1**	**135,037**	**69.5**	**130,040**	**70.7**	**56,615**	**67.4**	**72,848**	**70.9**
Robots										
– Industrial Manipulators	35,807	13.8	30,206	15.6	27,373	14.9	14,954	17.8	12,496	12.2
– Stackers	12,585	4.8	12,803	6.6	11,306	6.2	5,473	6.5	5,707	5.6
– Inspection Robots	14,023	5.4	16,027	8.3	14,990	8.2	6,986	8.3	11,727	11.4
– Others[(1)]	23,189	8.9	–	–	–	–	–	–	–	–
Sub-total	**85,604**	**32.9**	**59,036**	**30.5**	**53,669**	**29.3**	**27,413**	**32.6**	**29,930**	**29.1**
Total	**259,732**	**100.0**	**194,073**	**100.0**	**183,709**	**100.0**	**84,028**	**100.0**	**102,778**	**100.0**

In addition, we engage in strategic collaborations with research institutes and universities. These collaboration arrangements are generally negotiated on a project-by-project basis depending on the research scope, technical objectives, deliverables and commercialization needs of the relevant projects. For entrusted R&D projects, we typically pay R&D fees to the relevant universities or research institutions by lump sum, instalments or based on project progress and

acceptance arrangements; for joint applications for government technology projects or industry-university-research projects, the funding may comprise our self-raised funds, government grants and/or research resources contributed by the parties. We are generally responsible for proposing R&D needs, determining application scenarios and technical specifications, and reviewing and accepting the research results, while the relevant universities and research institutions are primarily responsible for conducting research, development, verification and delivering agreed results. Pre-existing intellectual property generally remains with the original rights holder, while intellectual property newly generated from the collaborations is owned by us or jointly owned/shared with the relevant collaboration parties as agreed under the relevant agreements. As of June 30, 2026, we had collaborated with many top universities and research institutions, and had participated in more than eleven important research and technological innovation projects. These collaborations focus on multiple cutting-edge technology fields, aiming to meet practical needs and continuously promote technological breakthroughs and commercialization. For example, we have engaged in following projects and programs during the Track Record Period:

- **Research on Management Technology for Power Quality in Power Distribution Networks and Equipment Development.** In collaboration with a renowned university in Hefei, we focus on common power quality issues in low-voltage distribution networks, such as reactive power, harmonics, three-phase unbalance, and terminal low voltage, to jointly conduct research, development, and design of hardware and software for a comprehensive power quality manager. To address harmonic and unbalanced components in load current, we have developed a high-precision extraction algorithm; to counter terminal voltage sags, we designed a dynamic voltage balance control strategy; simultaneously, we innovatively achieved a grid-connected converter with adaptive phase sequence functionality, resolving the pain point of difficult phase sequence identification during field installation. The design of the entire machine's hardware and software system has been completed. This equipment can effectively enhance the power quality of low-voltage distribution networks, improve system power supply reliability, and provide key technical support for the stable operation of the power distribution network amidst the widespread integration of distributed energy resources.

- **Management Algorithm for Smart Microgrids Facing the Electricity Spot Market.** In collaboration with a top university in Hefei, we research on the core direction of "efficient dispatch of multi-energy systems and market-oriented operation optimization in industrial load scenarios". Through the construction of a smart decision-making system comprising multi-energy coupling modeling, Generation-Grid-Load-Storage collaborative optimization, and power market trading strategy research, we aim to break through operation problems in the industrial energy system, namely dispatch of multi-energy systems and the marketization of power, achieving synergistic improvement in efficiency and economic benefits.

- **Flexible Industrial Manipulator Inspection Robot System.** In partnership with a well-known university in Nanjing, we are jointly developing a robot that utilizes flexible industrial manipulator technology and multi-sensor fusion technology to enhance the accessibility of inspection spaces, promote the digital and intelligent transformation of tunnel maintenance, which helps ensure personnel safety and reduce property losses.

SALES, MARKETING AND CUSTOMER SERVICE

Geographical Coverage

As of June 30, 2026, we had established representative offices in 31 provincial administrative regions across Chinese Mainland and had five subsidiaries outside Chinese Mainland, located in Australia, Hong Kong, Germany and Dubai, respectively. As of June 30, 2026, we had sold our products and solutions across China and to more than 40 countries and regions worldwide. The following table sets forth a breakdown of our revenue by geographic regions in absolute amounts and as percentages of our revenue for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
East China	1,595,575	52.7	1,461,876	54.4	1,695,055	56.2	747,358	56.5	822,049	53.9
South China	338,615	11.2	393,203	14.6	322,635	10.7	153,817	11.6	253,860	16.7
North China	361,911	12.0	368,623	13.7	526,714	17.5	219,595	16.6	197,890	13.0
Central China	437,702	14.5	178,455	6.6	167,322	5.5	64,189	4.9	123,809	8.1
Southwest China	148,475	4.9	147,529	5.5	139,216	4.6	62,396	4.7	66,125	4.3
Northeast China	69,005	2.3	71,605	2.7	57,207	1.9	24,927	1.9	9,297	0.6
Northwest China	62,434	2.0	36,553	1.4	41,447	1.4	37,102	2.8	31,348	2.1
Overseas	10,821	0.4	28,971	1.1	65,518	2.2	13,679	1.0	19,428	1.3
Total	**3,024,538**	**100.0**	**2,686,815**	**100.0**	**3,015,114**	**100.0**	**1,323,063**	**100.0**	**1,523,806**	**100.0**

Note: East China includes provincial administrative regions: Shandong, Jiangsu, Anhui, Shanghai, Zhejiang, and Jiangxi. South China includes provincial administrative regions: Guangdong, Fujian, Guangxi, and Hainan. North China includes provincial administrative regions: Beijing, Tianjin, Hebei, Shanxi, and Inner Mongolia. Central China includes provincial administrative regions: Henan, Hubei, and Hunan. Southwest China includes provincial administrative regions: Sichuan, Guizhou, Yunnan, Chongqing, and Xizang. Northeast China includes provincial administrative regions: Heilongjiang, Jilin, and Liaoning. Northwest China includes provincial administrative regions: Shaanxi, Gansu, Ningxia, Qinghai, and Xinjiang.

Our Sales Model

We adopt a direct sales model to sell our products and solutions to customers. We primarily provide power distribution and consumption products and solutions, energy storage systems and robot products and solutions to direct sales customers in the PRC and overseas.

The salient terms of our typical direct sales agreements of our Power Equipment and Energy Storage and Robots are set forth as follows:

Product specification. We specify the type, specifications, model, quantity, unit price and detailed items in each direct sales framework agreement.

Credit terms. The credit period we grant to customers is typically within 30 days to 90 days after issuance of invoices.

Logistics. We are typically responsible for delivery of products to designated locations of our customers at our own logistics costs. We use third-party logistics companies to ship our products.

Warranty. We typically provide no less than one-year warranty services for our products and solutions.

Confidentiality. Our customers are obligated to maintain confidentiality regarding our business, technical and other proprietary information.

Bidding

We secure most of our products and solutions contracts via competitive public tendering. To a lesser extent, we also acquire customers via responding to invitation to quote or solicitation. In accordance with the Bid Invitation and Bidding Law of the PRC (中華人民共和國招標投標法), the bid invitation and bid submission activities for projects required by law are to be subject to bid invitation. See "Regulatory Overview – Regulations on Bidding and Government Procurement". Our dedicated sales team keeps track of relevant websites to identify projects suitable for us to participate in the bidding. In determining whether to submit a bid, we will conduct an assessment, taking into account of various factors including, but not limited to, scope of work involved, expertise and qualifications required and prior experience. If we decide to participate in a bid or negotiation of a project, we will conduct an assessment to decide an acceptable price.

Branding

We are dedicated to building our reputation as CSG. We promote our "CSG" brand for all our business segments in order to generate strong market synergies. We formulate diversified marketing strategies for different business sectors tailored to market competition and customer features in the industry. Historically, by leveraging our established brand recognition in the energy industry, we were able to effectively drive up sales of our new products and solutions, rapidly extend our reach to potential customer bases and scale up our new businesses under the brand "CSG."

Pricing Strategy

The pricing of our products and solutions are based on a comprehensive evaluation of production costs, sales objectives, market demand and competition. We primarily determine our prices with reference to public tenders or tenders by solicitation and commercial negotiations. Our prices vary across PRC markets and overseas markets as we take into consideration the local pricing trends for each market. In specific, the prices of our products and solutions are determined by our cost, brand positioning, prevailing market competition and after-sales service costs across different regions. We also consider fluctuations in key raw material costs.

The following table sets forth a breakdown of our revenue by number of orders and segment for the years or periods indicated:

	Year ended December 31,									Six months ended June 30,					
	2023			2024			2025			2025			2026		
Products/Solutions	Revenue	Number of orders	Revenue per order	Revenue	Number of orders	Revenue per order	Revenue	Number of orders	Revenue per order	Revenue	Number of orders	Revenue per order	Revenue	Number of orders	Revenue per order
	RMB'000		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*
											(unaudited)				
Power Equipment and Energy Storage															
– Power Distribution and Consumption Products and Solutions	1,551,684	1,449	1,071	1,973,516	1,257	1,570	2,164,658	1,386	1,562	943,359	1,108	851	1,132,569	1,341	845
– Energy Storage Systems	52,602	57	923	127,658	74	1,725	149,634	98	1,527	36,003	45	800	18,345	25	734
– Charging pile[(1)]	396,390	54	7,341	–	–	–	–	–	–	–	–	–	–	–	–
Sub-total	**2,000,676**	**1,560**		**2,101,174**	**1,331**		**2,314,292**	**1,484**		**979,362**	**1,153**	**849**	**1,150,914**	**1,366**	**843**
Robots															
– Industrial Manipulators	485,527	672	723	332,761	600	555	422,013	647	652	200,341	458	437	245,226	487	504
– Stackers	207,978	74	2,811	176,452	106	1,665	175,662	100	1,757	82,169	49	1,677	94,570	91	1,039
– Inspection Robots	40,864	22	1,858	70,637	31	2,279	103,147	46	2,242	61,191	27	2,266	33,096	20	1,655
– AGV[(1)]	226,753	213	1,065	3,014	3	1,005	–	–	–	–	–	–	–	–	–
– Body-in-White Welding Line[(1)]	52,939	23	2,302	–	–	–	–	–	–	–	–	–	–	–	–
– Others	9,801	21	467	2,777	9	309	–	–	–	–	–	–	–	–	–
Sub-total	**1,023,862**	**1,025**		**585,641**	**749**		**700,822**	**793**		**343,701**	**534**	**644**	**372,892**	**598**	**624**
Total	3,024,538	2,585		2,686,815	2,080		3,015,114	2,277		1,323,063	1,687	784	1,523,806	1,964	776

Note:

(1) The equity interests of Hefei Soongo, which was primarily engaged in the charging pile business, Huaxiao Precision, which was primarily engaged in the production and sale of AGVs, and CSG Automate, which was primarily engaged in the body-in-white welding line, were disposed of in January 2024.

For detailed analysis of changes in our revenue during the Track Record Period, see "Financial Information — Results of Operations."

Backlog

The table below sets forth the movement of backlog value by major business segment during the Track Record Period. For the estimated revenue recognition of our backlog orders in the respective year/period, please refer to Note 5 of Appendix I for details.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Power Equipment and Energy Storage					
Opening value of backlog as of the beginning of the year/period	915,212	1,140,606	1,879,996	1,879,996	941,182
Ending backlog as of the end of the year/period	1,140,606	1,879,996	941,182	1,400,526	1,190,035
Robots					
Opening value of backlog as of the beginning of the year/period	1,620,899	1,228,282	773,200	773,200	737,547
Ending backlog as of the end of the year/period	1,228,282	773,200	737,547	868,459	826,081

OUR CUSTOMERS

We offer our products and solutions mostly within the PRC. The primary customers of our Power Equipment and Energy Storage business are state-owned grid companies and large energy-intensive enterprises such as those in the petroleum, steel, and metallurgy industries. The primary customers of our Robots business are companies in electric power, automotive and rail transit industries. During the Track Record Period, substantially all of our products and solutions were customized. For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our revenue from our five largest customers amounted to RMB1,238.1 million, RMB1,191.9 million, RMB1,471.6 million and RMB711.0 million, accounting for 40.9%, 44.4%, 48.8% and 46.7%, respectively, of our revenue in the respective years or periods. Revenue generated from our single largest customer accounted for 23.5%, 32.3%, 34.2% and 34.5% of our revenue for the years ended December 31, 2023, 2024 and 2025 and six months ended June 30, 2026.

The following tables set forth the details of our five largest customers by revenue in each year during the Track Record Period:

No.	Customers	Major business background	Location of headquarters	Listing status	Year of commencement of business relationship	Major products and solutions sold	Credit terms	Revenue	Percentage of revenue
								(RMB'000)	
For the year ended December 31, 2023									
1. .	Customer A	Production and supply of electric power and heat power	Beijing	Not listed	2003	Power Equipment and Energy Storage	30-90 days	710,587.2	23.5%
2. .	Customer B	Automotive manufacturing	Anhui	Listed	2020	Power Equipment and Energy Storage	30-90 days	212,922.3	7.0%
3. .	Customer C	Automotive manufacturing	Guangdong	Listed	2014	Robots	30-90 days	164,786.6	5.4%
4. .	Customer D	Automotive manufacturing	Zhejiang	Not listed	2019	Robots	30-90 days	94,619.0	3.1%
5. .	Customer E	Automotive manufacturing	Hebei	Listed	2013	Robots	30-90 days	55,179.6	1.8%
Total.								**1,238,094.7**	**40.9%**
For the year ended December 31, 2024									
1. .	Customer A	Production and supply of electric power and heat power	Beijing	Not listed	2003	Power Equipment and Energy Storage	30-90 days	867,002.4	32.3%
2. .	Customer F	Production and supply of electric power and heat power	Guangdong	Not listed	2020	Power Equipment and Energy Storage	30-90 days	103,867.5	3.9%
3. .	Customer G	Production and supply of electric power and heat power	Inner Mongolia	Not listed	2015	Power Equipment and Energy Storage	30-90 days	81,426.9	3.0%
4. .	Customer H	Oil and natural gas extraction	Beijing	Listed	2022	Power Equipment and Energy Storage	30-90 days	75,284.6	2.8%
5. .	Customer I	Special equipment manufacturing	Shandong	Not listed	2017	Power Equipment and Energy Storage	30-90 days	64,288.5	2.4%
Total.								**1,191,869.9**	**44.4%**

No.	Customers	Major business background	Location of headquarters	Listing status	Year of commencement of business relationship	Major products and solutions sold	Credit terms	Revenue	Percentage of revenue
								(RMB'000)	
For the year ended December 31, 2025									
1	Customer A	Production and supply of electric power and heat power	Beijing	Not listed	2003	Power Equipment and Energy Storage	30-90 days	1,031,787.3	34.2%
2	Customer C	Automotive manufacturing	Guangdong	Listed	2014	Robots	30-90 days	137,737.2	4.6%
3	Customer G	Production and supply of electric power and heat power	Inner Mongolia	Not listed	2015	Power Equipment and Energy Storage	30-90 days	124,335.8	4.1%
4	Customer K	Lithium-ion battery manufacturing	Fujian	Listed	2018	Robots	30-90 days	93,745.2	3.1%
5	Customer J	Electrical machinery and equipment manufacturing	Shanghai	Not listed	2017	Power Equipment and Energy Storage	30-90 days	83,946.7	2.8%
Total								**1,471,552.2**	**48.8%**
For the six months ended June 30, 2026									
1	Customer A	Production and supply of electric power and heat power	Beijing	Not listed	2003	Power Equipment and Energy Storage	30-90 days	525,166.7	34.5%
2	Customer F	Production and supply of electric power and heat power	Guangdong	Not listed	2020	Power Equipment and Energy Storage	30-90 days	56,145.6	3.7%
3	Customer K	Lithium-ion battery manufacturing	Fujian	Listed	2018	Robots	30-90 days	53,222.8	3.5%
4	Customer L	Power Transmission & Distribution	Jiangsu	Not listed	2022	Power Equipment and Energy Storage	30-90 days	39,897.5	2.6%
5	Customer M	Power Transmission & Distribution	Beijing	Listed	2016	Power Equipment and Energy Storage	30-90 days	36,613.6	2.4%
Total								**711,046.2**	**46.7%**

We primarily procure our customer through tender and bidding. The contract terms do not include minimum purchase commitments or exclusive arrangements, and we perform obligations based on the quantities and unit prices stipulated in the contracts. As most of our customers are state-owned enterprises and industry-leading enterprises, our pricing power and bargaining position are relatively less strong.

For Power Equipment and Energy Storage segment, our major customers are state-owned power grid companies, which are mega-sized central state-owned enterprises with sound credit standing. Although state-owned power grid companies account for a large share of our revenue, their bidding and tendering activities are conducted at the provincial level, and the tendering processes of grid companies in different provinces are independent of each other. Therefore, our revenue is less affected by customer concentration. The contracts signed with such customers generally adopt their standard templates, which contain clear settlement terms with controllable payment collection cycles.

For Robots segment, our major customers are domestic automobile manufacturers, consisting of large state-owned and private enterprises. These customers maintain sound credit. The contracts signed with such customers also generally follow the customers' standard templates with settlement methods within market practices, and the payment collection cycles are normally controllable. We have not noticed any customer concentration regarding to our Robots business.

To the best of our knowledge, each of our five largest customers in each year or period during the Track Record Period was an Independent Third Party. To the best of our knowledge, none of our Directors, their close associates or any Shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest customers in each year or period during the Track Record Period.

OUR SUPPLIERS

Our key materials mainly includes electronic components (e.g., chips, capacitors and PCB), metallic materials (e.g., copper, steel, aluminum and iron), and insulating materials. Among them, metallic materials constituted one of the principal components of our raw material, accounting for approximately the low teens to the mid-twenties of our material costs in each year/period during the Track Record Period. The increase in metallic material costs in 2025 contributed to the increase in our total material costs and cost of sales for the same year. Electronic components constituted another principal component of our raw materials, accounting for approximately the low teens to the mid-twenties of our material costs in each year/period during the Track Record Period. Our electronic component costs in 2024 increased, despite the fluctuations in our total material costs and cost of sales, while electronic component costs remained relatively stable in 2025.

We use a centralized procurement model, where all direct and pre-ordered purchases are managed by our supply chain. Our supply chain oversees procurement, quality control, and coordination with sales. By combining planning, procurement, quality control, and production, our supply chain ensures cost-efficiency, product quality, and a balanced link between production and sales. We conduct negotiations with suppliers at a headquarters level or through our local teams. Our procurement team collaborates with our R&D and production team to reduce costs and ensure production continuity, with quality as a key priority. This end-to-end approach promotes high standards of quality and cost-efficiency across R&D, production, and delivery.

We implement a lifecycle evaluation and management strategy for suppliers. During supplier onboarding, our production, R&D, procurement, supplier development, and quality teams work together to select best suppliers. We have also created a preferred supplier pool, with a strict selection process for inclusion. This rigorous process minimizes trial-and-error costs and helps us avoid costly mistakes, particularly in non-domestic markets. We maintain supplier quality through onboarding and inspections, and we conduct annual evaluations to guide performance management and make necessary adjustments. When issues arise or improvements are identified, we engage in detailed discussions with suppliers to address quality enhancements, optimize processes, and strengthen relationships.

To manage costs and secure delivery, we have backup suppliers at major supply chain stages. This approach reduces costs and strengthens delivery assurance, with long-term relationships with secondary suppliers further enhancing cost efficiency. As a result, we are not reliant on any single supplier, avoiding risks related to supplier concentration and ensuring consistent cost control.

Top Suppliers

During the Track Record Period, substantially all of purchases are from the suppliers in the PRC and we do not have any material purchases from oversea suppliers.

In 2023, 2024 and 2025 and the six months ended June 30, 2026, the aggregate purchases from our five largest suppliers amounted to RMB196.3 million, RMB291.1 million, RMB432.2 million, and RMB128.6 million, which accounted for 7.5%, 8.7%, 16.1% and 9.6% of our total purchases, for the respective years or periods. Our single largest supplier accounted for 1.8%, 3.3%, 8.8%, and 2.9% of our total purchases for the years ended December 31, 2023, 2024 and 2025 and for the six months ended June 30, 2026, respectively. We do not believe we are exposed to concentration risk or reliant on any single supplier.

Our Directors confirmed that, during the Track Record Period, we had not experienced any significant material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or material delay in delivery of our orders from our suppliers. To the best of our knowledge, each of our five largest suppliers in each year or period during the Track Record Period was an Independent Third Party except our single largest supplier for the year ended December 31, 2024 and 2025, and the six months ended June 30, 2026, in which we held 15.82% of equity interests as of the Latest Practicable Date. Our purchases attributable to such single largest supplier was nil, RMB111.6 million, RMB236.4 million and RMB39.4 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. We purchase DC charging piles and AC charging piles from such single largest supplier as our raw materials. All of our purchases from such single largest supplier were not inter-conditional with each other, and were conducted in the ordinary course of business under normal commercial terms comparable to those with other suppliers and on an arm's length basis. To the best of our knowledge, none of our Directors, their associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers during the Track Record Period.

The following is a summary of the key contractual terms of our contracts with our suppliers:

Product and Services. Our purchase agreements usually specify the product and service types, configurations, and documentation, including operation manuals, quality certificates, and import/export certifications, if applicable.

Product and Pricing Structure. Our purchase agreements include product and service names, quantities, and prices of products.

Payment Terms. Payments are due after successful product inspection within a specified period.

Delivery Terms. Our contracts with suppliers typically adopt specified terms that require suppliers to cover transport and insurance until we take possession.

Acceptance of Goods. Goods are inspected upon delivery for compliance with contract specifications. Suppliers must replace or repair defective products at their expense within a specified warranty period.

Warranty Period. Suppliers provide warranties aligned with industry standards, covering defects and failures, with maintenance support during warranty duration.

Maintenance Obligations. Suppliers are responsible for addressing quality issues and providing on-site support within agreed response time frames.

Compliance and Ethics. Suppliers must comply with applicable legal standards and adhere to laws and regulations applicable to the contracts, including prohibiting bribes or undue incentives.

Termination and Remedies. Contracts can be terminated for reasons including breach of contract or delivery delays beyond agreed timeframes, with liquidated damages applied for delays.

Overlapping of Suppliers and Customers

During the Track Record Period, Customer A and Customer L were the customers among our five largest customers that was also our supplier. We purchased electronic components from two subsidiaries of Customer A. Our purchase amounts attributable to Customer A accounted for 1.1%, 0.9%, 1.3% and 1.6% of our total purchase amount in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. Our sales amount attributable to Customer A was RMB710.6 million, RMB867.0 million, RMB1,031.8 million and RMB525.2 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively, accounted for 23.5%, 32.3%, 34.2% and 34.5% of our revenue for the respective year/period. In addition, Customer L became a party concurrently serving as our supplier and one of our five largest customers in the six months ended June 30, 2026. Our purchase amounts attributable to Customer L accounted for 0.4%, 2.2%, 1.2% and 1.0% of our total purchase amount in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. Revenue generated from sales to Customer L accounted for 2.6% of our total revenue during such period. During the Track Record Period, several of our five largest suppliers were also our customers purchasing circuit breakers and other products from us. Our sales amount attributable to these customer-suppliers accounted for 0.3%, 0.5%, 0.4% and less than 0.1% of our revenue for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively.

All of our sales to and purchases from Customer A, Customer L and such five largest suppliers were not inter-conditional with each other, and were conducted in the ordinary course of business under normal commercial terms and on an arm's length basis. The general terms with Customer A and its subsidiaries and such five largest suppliers were comparable to those with other independent third parties. The profit margin we recorded from the transactions with Customer A and its subsidiaries were comparable to those with other independent third parties.

In particular, since Customer A is a central state-owned enterprise engaged in the production and supply of electric power and heat power in China, its procurement procedures are highly regulated and market-oriented. During the Track Record Period, all sales contracts entered into between Customer A and us were obtained through public tendering and bidding processes. The gross margin of the relevant products and solutions sold by us to Customer A was generally within the reasonable gross margin range of similar products and solutions we sell to independent third parties. With respect to the purchases from the subsidiaries of Customer A, the purchase unit prices of the relevant electronic components purchased by us were generally consistent with the purchase unit prices of the same or similar electronic components purchased from other independent third-party suppliers, and in line with the prevailing market price levels.

PRODUCTION AND MANUFACTURING

Production and Manufacturing Processes

We have built a highly structured production and manufacturing system that combines strict quality control with advanced industry practices to produce innovative solutions. Below are detailed descriptions of the key aspects of our production and manufacturing processes:

Standardized Products. Our production process for standardized products primarily includes component production, component processing (components/wiring harnesses), assembly, testing (insulation/functionality), and packaging. Detailed descriptions of the production flow are as follows:

- **Component Production (PCBA)**. Inspect and pre-process raw materials to ensure that they meet quality standards. Process bare PCB boards through surface mount technology or dual in-line package technology to complete component production.

- **Component Processing (components/wiring harnesses)**. Using fully automated wire harness processing equipment, process wires into finished harnesses in a single operation based on standardized wire lists. After raw materials pass inspection, process various functional modules according to the standard operating chart, and conduct full inspections to ensure compliance with standards, preparing for the next processing step.

- **Assembly**. After initial inspection of the semi-finished products, following the requirements of standardized single-piece flow production, automated assembly lines, automatic screw fastening machines, and other automatic equipment are used for integrated installation into cases or containers, forming the final product.

- **Testing (Insulation/Functionality)**. We conduct multiple rounds of functional testing and inspection on the final product. Our comprehensive testing includes visual inspection, safety tests, battery tests, temperature control tests, and complete machine functionality tests.

- **Packaging**. After functional testing is completed, a visual inspection is conducted. Using automated conveyor lines and semi-automatic hoisting equipment, the finished products are boxed.

Among these, based on our general business practice, component production generally takes two days (one day for soldering and testing, one day for aging), component processing generally takes one day, and assembly, testing and packaging combined generally take one day. Component production and component processing can be conducted simultaneously, resulting in an overall production time of approximately three days.

Non-Standardized Products. Our production process for non-standard customized products primarily includes drawing design, component production and processing, assembly, testing, and packaging. Detailed descriptions of the production flow are as follows:

- **Drawing Design**. Integrating customer operational requirements, 3D modeling and 2D drawing are performed to clarify part parameters, assembly relationships, and process requirements. Internal review and customer confirmation are completed to provide precise technical basis for production.

- **Component Production and Processing**. For raw materials that have passed inspection, pre-processing of various functional modules is carried out according to work instruction documents, followed by inspection to ensure compliance with assembly requirements.

- **Assembly**. Assemble the mechanical structure in the sequence specified by the assembly drawings, precisely connect various components, control assembly gaps and parallelism, fasten connection points, ensure smooth movement of parts, and meet design accuracy requirements.

- **Testing**. Perform no-load trial runs and load testing, calibrate positioning accuracy, repeat positioning accuracy, and movement speed, simulate actual operational processes to optimize parameters, troubleshoot mechanical jams and electrical faults, ensuring all equipment functions meet standards.

- **Packaging**. Upon completion of product testing, use standard packing cases to perform visual inspection and protective packaging checks on the products. After passing inspection, the products are packaged and moved into storage.

Among these, based on our general business practice, drawing design generally takes two to five days, component production and processing generally takes 15 to 25 days, assembly generally takes three to six days, testing generally takes one to five days, and packaging generally takes one day. The overall production time is approximately 20 to 50 days.

Our Production Bases

We manufacture substantially all of our products in-house at our production bases in the PRC. We also collaborate with external suppliers to manufacture and supply a portion of the structural parts required for our production. Our main production base in Hefei, CSG Intelligent Hefei Industrial Park, handles the production of most of our products and solutions under our two business segments, utilizing both shared and mixed production lines for efficiency. We also have production lines in our CSG Intelligent Industrial Park in Songjiang District, Shanghai, related to low-voltage distribution boards and robots. Moreover, we have production lines related to stackers in Shenzhen, and production lines primarily for the manufacture of transformers in Jiangshan, Zhejiang Province.

As of the Latest Practicable Date, construction of our industrial base in Hefei, Anhui had commenced. The project has a planned construction period of five years, with a total investment amount of no more than RMB350.0 million. Upon completion, the industrial base is expected to be primarily used for the R&D and manufacturing of products under our Power Equipment and Energy Storage segment, further strengthening our domestic production capacity.

Following our acquisition of Yuanguang Electrical in May 2026, Yuanguang Electrical was also constructing an expansion project at its production base in Jiangshan, Zhejiang Province. The production base has a planned construction period of two years. Upon completion, it is expected to be primarily used for the manufacture of power transformers and to increase our annual production capacity for power transformers.

The following table provides detailed information of the major product lines on our production bases for the periods indicated:

	Year ended December 31,									Six months ended June 30,		
	2023			2024			2025			2026		
	Production capacity[1]	Production volume	Utilization rate[2]	Production capacity[1]	Production volume	Utilization rate[2]	Production capacity[1]	Production volume	Utilization rate[2]	Production Capacity[1]	Production volume	Utilization Rate[2]
	(units)	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*	*(units)*	*(units)*	*(%)*
Power Equipment and Energy Storage												
Integrated primary-secondary circuit breakers[3]	6,500	3,817	58.7	16,120	12,805	79.4	21,840	16,450	75.3	15,470	13,971	90.3
Ring main units[3][5]	6,500	3,051	46.9	7,280	3,343	45.9	7,280	4,471	61.4	3,640	1,971	54.1
FTU and DTU[3][4]	41,600	32,711	78.6	70,200	37,500	53.4	70,200	50,378	71.8	35,100	30,064	85.7
Low-voltage distribution area systems and electricity collection systems[3][5]	260,000	104,764	40.3	260,000	202,923	78.0	260,000	194,472	74.8	130,000	68,093	52.4
Robots												
Industrial manipulators	1,980	1,302	65.8	2,040	1,680	82.4	2,800	2,574	91.9	1,800	1,679	93.3
Stackers	495	478	96.6	265	229	86.4	352	336	95.5	372	346	93.0
Inspection robots	57	52	91.2	157	144	91.7	154	145	94.2	55	50	90.9

Notes:

(1) Production capacity is calculated based on the actual operating days of each production line in each year or period during the Track Record Period, operating at eight hours per day.

(2) Utilization rate is calculated by dividing the production volume of a given year by the production capacity of the same year or period.

(3) The utilization rate of our products under Power Equipment and Energy Storage segment was relatively low during 2023, 2024 and 2025 mainly because grid companies typically required in tender documents that suppliers shall reserve capacity headroom.

(4) The utilization rate of FTU and DTU decreased from 2023 to 2024 primarily due to an increase in production capacity as a result of installation of a new production line in 2024 which outpaced the growth of production volume during the same periods.

(5) The utilization rates of ring main units and low-voltage distribution area and electricity consumption collection systems decreased from 2025 to the six months ended June 30, 2026, primarily due to decrease in orders for these products during the period, resulting in lower production volumes relative to the available production capacity.

Our production and operational policies are comprehensive and fully compliant with national and international standards. Regular inspections ensure that our facilities remain in optimal conditions, with necessary repairs and maintenance carried out promptly. A strict reporting system is in place to record any accidents or equipment malfunctions, ensuring thorough documentation and quick resolution.

INVENTORY MANAGEMENT

Our inventories primarily consist of (i) finished goods that are fully manufactured, tested, packaged, and ready for sale; (ii) work in progress, which includes items still in production, such as partially assembled robots, unfinished systems, or components undergoing testing; and (iii) materials for our products and solutions. As of December 31, 2023, 2024 and 2025 and June 30, 2026, the balance of our inventories was RMB1,221.7 million, RMB989.0 million, RMB845.9 million and RMB1,032.7 million, respectively. The turnover days of our inventories were 187 days, 197 days, 143 days and 148 days, respectively, in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively.

We implement a range of inventory management strategies to improve our cash flow position, including but not limited to the following:

- **Optimized demand forecasting and inventory planning.** We leverage historical sales data and demand forecasts to set minimum safety stock levels, preventing overstocking while ensuring sufficient inventory to meet fluctuating demand. Our business teams, project operation teams, and supply chain management personnel collaborate to forecast future demand, optimizing production schedules and inventory levels to balance stock. Additionally, we adjust inventory strategies based on historical trends in seasonality and market fluctuations, ensuring efficient stock management throughout the year.

- **Real-time monitoring and proactive inventory management.** To ensure accurate and transparent inventory records, we employ advanced ERP systems that track every item's storage, movement, and status in real time. These systems are complemented by monthly and quarterly physical inventory counts to verify data accuracy and reduce discrepancies. We regularly review inventory turnover rates to identify slow-moving or obsolete stock, taking timely actions such as discounting or liquidation to minimize obsolescence risks.

We maintain a strategic level of finished goods to support timely customer delivery. We adopt a pre-production, order-driven inventory management strategy where we arrange production based on orders, and maintain necessary inventory levels to ensure timely delivery and better meet customer demand.

LOGISTICS AND WAREHOUSING

We adopt a comprehensive approach to logistics and warehousing that ensures efficient storage and seamless distribution of our products and related components.

We utilize our own warehouses for storing finished products, semi-finished products, and raw materials. These internal storage facilities are key to maintaining control over inventory and ensuring product quality. Products that have passed quality inspections are either delivered directly from our production bases to our customers or delivered to designated warehouses for further distribution, by third-party logistics providers. We collaborate with third-party logistics providers to handle the transportation and final delivery of our products to customer-specified locations. This model allows us to maintain flexibility in its logistics operations while ensuring timely and reliable deliveries.

QUALITY CONTROL AND ASSURANCE

We have implemented rigorous quality control systems that oversee all aspects of our production processes. Our quality management strategy operates at every phase of operations, including design, development, sourcing, production, packaging, delivery, and after-sales service. We adhere to international standards such as ISO 9000. During the design phase, we focus on identifying and addressing potential quality issues early on, ensuring that quality is embedded into the product from the very beginning. In the production phase, we maintain strict oversight by continuously monitoring and testing our products to ensure they meet required standards before leaving the factory. This thorough management of each stage guarantees consistently high product quality, which is widely recognized by our customers.

Our products are sold nationally and must comply with national safety and quality standards. To ensure compliance with these standards, we have customized quality control systems and work with independent testing and certification agencies to ensure that our products comply with regulations. If a product fails within the warranty period that typically lasts for approximately 12 months, we will arrange for repair or replacement at no additional cost.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant product returns, liability claims, or legal issues related to product safety or quality control, or any product or solutions recalls.

DATA PRIVACY AND SECURITY

In delivering our products and solutions, we engage in certain data-related activities to support the functionality, efficiency, and security of our products, ensure transparency with customers and obtain their prior consent before proceeding. Specifically, we may collect the business contact information from customers, channel partners, or suppliers, or process other business information that does not contain personal information. For instance, we may access data relating to the development, production, delivery, and functionality of our solutions, including facilities' conditions, technical specifications, and product-related information for operational and fault analysis purposes. We may collect personal information from contact persons at our customers, channel partners, suppliers, and other business partners. This information typically includes names, email addresses, phone numbers, company names, departments, and job titles, and we collect and use this information to facilitate business communications, fulfill contractual obligations, and manage ongoing business relationships.

We do not collect or access sensitive personal information from customers. During the customer acquisition stages, we collect basic customer contact information through our website, customer service calls, or market events. In the service and after-sales phase, we communicate with customers to understand their service needs and provide support. Similarly, we collect contact information from channel partners and suppliers, which includes basic contact details.

We have established a comprehensive data security and information management system. We have implemented several security measures, including firewalls, intrusion prevention systems, regular penetration tests, vulnerability scans, and disaster recovery plans. In accordance with international information security standards, we also encrypt data and utilize firewalls, endpoint detection and response, and email security protection systems. We classify and grade our data based on its sensitivity, with stringent access controls according to the zero-trust principle and single sign-on authentication.

We have established a robust data privacy and security framework to ensure compliance with local laws and regulations on cybersecurity, data security and personal information protection, with the aim of protecting the integrity of our systems and the security of our customers' data. We employ data protection protocols that govern the collection, storage, and transmission of data.

To reinforce system resilience, we have deployed advanced vulnerability management and continuous monitoring systems. We conduct annual security penetration tests to continuously enhance our information security measures. Our data security measures include strict encryption protocols for all robot communications, ensuring secure interactions within our networks. Additionally, data classification and grading measures are applied to customer data to ensure security at every stage of data handling.

Internally, we have established a dedicated Cyber and Information Security Working Group responsible for regular audits and continuous improvement of our data practices. This Working Group reviews compliance with data protection laws and security standards, adapting our protocols to meet evolving industry requirements.

We had not been subject to any litigation, arbitrations or material administrative penalties in relation to data and privacy protection during the Track Record Period and up to the Latest Practicable Date. In addition, as advised by our legal advisor as to the PRC data privacy protection laws, we have not been made aware of any instances where the current or potential laws and regulations in relation to privacy and personal data have materially and adversely affected our business or financial performance. We believe that, as a result of our strict internal control and compliance efforts, our business operations are in compliance with current data security laws and regulations in markets where we operate in all material aspects. As advised by our legal advisor as to the PRC data privacy protection laws, we have taken appropriate organizational and technical measures and are in compliance with PRC laws and regulations on cybersecurity, data security and personal information protection in material aspects during the Track Record Period.

Looking forward, we remain dedicated to strengthening our data security framework, prioritizing innovation and adaptability in our practices to meet the growing expectations of data protection in global markets.

INTELLECTUAL PROPERTY

We believe our patents, know-how, proprietary technologies, trademarks, copyrights, domain names, and similar intellectual property are critical to its success. To protect these rights, we have implemented several key measures, including: (i) developing comprehensive internal policies to ensure effective IP management; (ii) establishing an intellectual property taskforce to guide, supervise, and monitor daily IP-related activities; (iii) regularly registering, filing, and applying for ownership of our intellectual properties; (iv) actively tracking registration and authorization statuses and promptly addressing potential conflicts; and (v) clearly outlining IP ownership and protection rights in our employment agreements.

As of June 30, 2026, we held 229 invention patents, 349 utility model patents, 59 design patents, and 268 software copyright registrations. We are committed to vigorously protecting our technology and proprietary rights, though there is no guarantee of success. During the Track Record Period and as of the Latest Practicable Date, we had not been involved in any material intellectual property infringement claims, nor had we experienced significant infringement of our intellectual property rights by third parties. During the Track Record Period and as of the Latest Practicable Date, we had not been involved in any major intellectual property disputes with third parties. However, there remains the possibility that third parties may initiate litigation or claims against us, alleging infringement of their proprietary rights or seeking declarations of non-infringement regarding our intellectual property. For more details, see "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to adequately protect or enforce our intellectual property rights, and our efforts to do so may be costly."

COMPETITION

We operate in a rapidly changing industry resulting from technological innovation. The industry is becoming increasingly competitive as more competitors are enhancing their market penetration and competitiveness. Moreover, as the application scenarios for clean energy technologies become more extended, we may face competition from competitors across different industries. We have invested substantially in building up our R&D capabilities, supply chain management capabilities, production capabilities, sales and service capabilities, as well as financial management capabilities. We believe that our robust operating capabilities and extensive industry experience and expertise could solidify our current competitive edge and sustain our long-term development. See "Industry Overview" for details.

SEASONALITY

We have experienced and may continue to experience period-to-period fluctuations in our results of operations primarily due to the fact that the majority of our revenue was recognized upon the delivery of our products and the acceptance by our customers. Such pattern of revenue recognition during the Track Record Period was primarily attributable to the fact that power grid company customers operate under annual procurement budget cycles. These customers generally carry out their internal procurement budget planning and source appropriate suppliers in the first half of each year followed by negotiating and entering into the procurement contracts with suppliers, request for delivery of products in the second half of the year, and complete and accept the procurement before the end of the same year. Frost & Sullivan is of the view that it is not uncommon in the industry to experience seasonal fluctuations in their operating results. See "Risk Factors — Risks Relating to Our Business and Industry — We have experienced and may continue to experience period-to-period fluctuations in our results of operations." for details.

The seasonality of our business may also result in fluctuations in our operating cash flows. Deliveries, customer acceptance and collection for our Power Equipment and Energy Storage products and solutions tend to be concentrated in the second half of the year, particularly the fourth quarter, while related procurement and other operating expenditures are incurred throughout the year. As a result, we may incur operating cash outflows in the first half of a year before collecting the corresponding payments from customers in the second half of the year. See "Risk Factors — Risks Relating to Our Business and Industry — Our operating cash flows are subject to seasonal and period-to-period fluctuations, and we may record net cash used in operating activities in future periods."

EMPLOYEES

As of June 30, 2026, we had a total of 1,677 employees. All of our employees are based in Chinese Mainland. The following table shows our employees categorized by functions as of June 30, 2026.

Function	Number of Employees	% of Full-time Employees
Research and development	723	43.1
Sales and marketing	359	21.4
Manufacturing	438	26.1
Accounting	48	2.9
Administrative	61	3.6
Others	48	2.9
Total	1,677	100.0

Our success relies on our ability to attract, motivate, train, and retain skilled personnel. We believe we offer competitive compensation packages and a collaborative, creative work environment, which has allowed us to attract and retain qualified talent and maintain a stable core management team. We prioritize training to ensure our workforce maintains high quality, knowledge, and skill levels. We offer training programs at all levels, tailored to employees' functions, positions, and responsibilities, covering both soft and technical skills.

In line with PRC laws, we participate in government-mandated employee benefit plans, including social insurance for pensions, medical care, unemployment, work-related injury, maternity, and housing funds. We are required by PRC law to contribute to employee benefit plans at specific rates based on employee salaries, bonuses, and certain allowances, up to limits set by local regulations. During the Track Record Period, we met these requirements in all material respects without incurring any significant administrative fines or penalties.

During the Track Record Period, we have outsourced several workforces to address non-core manufacturing staffing shortages during peak seasons. We may outsource additional manpower from time to time if necessary.

We believe we have a positive working relationship with our employees. Throughout the Track Record Period, we experienced no strikes, work stoppages, or labor disputes that materially affected our business operations.

Social Insurance and Housing Provident Funds

During the Track Record Period, we did not make full social insurance and housing provident fund contribution for certain employees in strict compliance with relevant laws and regulations, and engaged third-party human resource agencies to pay social insurance and housing provident funds for a small number of employees. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our accumulated shortfall in social insurance and housing provident fund contribution during the Track Record Period amounted to approximately RMB2.5 million, RMB4.4 million, RMB5.9 million and RMB6.7 million, respectively.

In respect of the legal consequences and potential maximum penalties for our failure to make full contributions to social insurance and housing provident fund, according to the relevant PRC laws and regulations, the relevant PRC authorities may (i) demand us to pay the outstanding social insurance contributions within a prescribed period and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. If we fail to make such payments, we may be liable to a penalty of three times the amount of the outstanding contributions; and (ii) order us to pay the outstanding housing provident fund contributions within a prescribed time period, failing which the relevant PRC authorities may apply to the relevant people's court for compulsory enforcement. If we receive any notification from the relevant PRC authorities requiring us to pay shortfalls or penalties in the future, we will comply and make the necessary payments within the prescribed time period.

According to the Interpretation (II) of the Supreme People's Court on 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)》, the "**Interpretation**"), which became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation, the people's court shall uphold such claim. And according to the understanding of the PRC laws and regulations by our PRC Legal Advisor, (i) the Interpretation does not create any new rules but rather unifies judicial discretion to eliminate inconsistencies in judicial practice across different regions in the PRC, and (ii) the Interpretation applies solely to labor litigation, which does not alter the rights and obligations of employers under the Social Insurance Law of the PRC, nor does it increase the administrative penalties for employers who fail to pay social insurance contributions in full.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any notification from the relevant PRC authorities requiring us to pay shortfalls or the penalties with respect to social insurance and housing provident funds; and (ii) we were neither aware of any material pending employee complaints nor were involved in any material pending labor disputes with our employees with respect to social insurance and housing provident funds. Our directors are of the view that the interpretation will not have a material adverse effect on the Group's operation or financial condition.

We plan to adjust the payment base for our employees' social insurance and housing provident funds contributions in batches to make full contributions in compliance with the applicable laws and regulations and expect such adjustment to be completed within one year after the [**REDACTED**]. This timeline is primarily due to the broad geographic distribution of our employees, many of whom have household registrations differing from their work locations and prefer to continue contributing to their housing provident fund at their place of registration to facilitate benefits such as home purchasing and loan applications. Our current corporate structure does not support cross-regional contributions, requiring the establishment of subsidiaries or branch offices in multiple cities to gradually improve contribution channels. Additionally, some employees have historically chosen to opt out or contribute at reduced levels due to personal considerations such as financial burden and existing commercial insurance coverage. While the Company has respected such choices to maintain flexibility in employee welfare, we have now introduced standardized policies that are being phased in, with full rectification expected within one year after the [**REDACTED**].

Currently, we engage third-party human resource agencies to pay social insurance and housing provident funds for a small number of employees. This arrangement primarily arises due to the geographic dispersion of employees, as many work in locations outside the cities where we or our subsidiaries operate. These agreements are often based on employees' voluntary decisions and have not adversely affected their entitlements or benefits. To gradually reduce reliance on third-party agencies, we plan to establish subsidiaries or branch offices in relevant regions, enabling us to directly manage contributions and ensure greater compliance while safeguarding employees' rights and benefits during the transition.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We collaborate with stakeholders to advance the "Zero Carbon" journey. We integrate Environmental, Social, and Governance ("**ESG**") as a core component of our corporate philosophy, embedding ESG principles into business operations.

ESG Governance

In accordance with the Hong Kong Stock Exchange's *Environmental, Social and Governance Reporting Guide*, we have established a robust ESG governance framework to ensure effective implementation and monitoring of initiatives across environmental, social, and governance domains.

As our highest decision-making body of ESG-related matters, the Board of Directors convenes regularly to deliberate on ESG-related matters and adjusts ESG strategies in response to external environmental changes, regulatory requirements, and our actual development.

We have established a strategy and sustainability committee responsible for translating the Board-approved ESG strategy into annual implementation plans and overseeing departmental execution. The strategy and sustainability committee consists of three members, namely Dr. Huang Mingsong, Ms. Wang Tingting and Dr. Li Ao, with Dr. Huang Mingsong as the chairperson to oversee our ESG-related matters. Under the strategy and sustainability committee, we operate a sustainable development working group composed of heads from various company departments and subsidiaries. This working group provides specialized support for all ESG initiatives, driving the implementation and achievement of the Company's sustainable development objectives.

In practice, we establish annual ESG targets and integrate them into our overall strategic assessment system.

ESG Materiality Assessment and Risk Assessment

To ensure our ESG strategy effectively responds to industry trends and market changes, we identify and assess material ESG issues and potential risks based on the HKEX *Environmental, Social and Governance Reporting Guide* and relevant international standards, combined with business development needs and industry dynamics, through peer benchmarking, stakeholder research and other methods.

ESG Materiality Assessment

We regularly conduct industry benchmarking to identify ESG material issues relevant to our actual operations.

We distribute questionnaires to key stakeholders — including shareholders and investors, governments and regulators, customers, suppliers and partners, the general public, media and industry associations, and employees — to understand their concerns and feedback on ESG issues. This research process helps us fully comprehend the needs and priority concerns of diverse stakeholders.

Based on the survey results, we prioritize highly important ESG issues by comprehensively evaluating their urgency and impact, considering both their significance to the Company's development and to stakeholders.

Risk Management

We integrate ESG risk management throughout our corporate strategy and operations, establishing a dynamic closed-loop risk management system based on the "Identify — Assess — Respond — Iterate" framework.

To comprehensively identify potential risks across environmental, social, and governance domains, we employ a "Four-Dimensional Scanning" mechanism covering climate change, resource consumption, social responsibility, and other dimensions, ensuring no risk factors impacting corporate development are overlooked. Particularly in emerging risk areas such as climate change, supply chain management, and employee health and safety, we prioritize timely monitoring and assessment of their operational implications.

In 2023, 2024 and 2025, our expenses incurred to comply with applicable environmental laws and regulations (including our investment in strengthening environmental compliance and occupational health and safety) were approximately RMB2.3 million, RMB1.9 million, and RMB2.7 million, respectively. For the six months ended June 30, 2025 and 2026, such expenses amounted to approximately RMB1.2 million and RMB0.8 million, respectively.

The material issues currently identified are within a manageable scope in terms of their impact on the Company's operations, strategy, and costs. Going forward, we will regularly monitor issues that may affect our business, strategy, and cost structure, and make adjustments accordingly.

Issues such as climate change, supply chain, and security and data compliance are of significant relevance to the Company's business processes. We have implemented various internal policies and measures to ensure smooth business operations.

Environment

Climate Change

The Company has established a dedicated "Sustainable Development Working Group" as the governing body for coordinating climate-related issues. This governance mechanism ensures climate considerations are fully integrated into corporate strategic planning and daily operations, enabling swift and precise responses to climate challenges across all stages—from top-level design to implementation.

The Company has installed a 500kW rooftop distributed photovoltaic (PV) system at the CSG Intelligent Hefei Industrial Park and a 4MW rooftop distributed PV system at the CSG Shanghai Robot Industrial Park, actively responding to national energy conservation and emission reduction initiatives. These installations meet the daily electricity needs for production and operations at the campuses using clean energy. In addition, to continuously improve energy efficiency, we actively advance energy-saving retrofits for existing projects and fully implement energy-efficient design principles in new developments.

Concurrently, the Company strengthens R&D for green and low-carbon products. Our FTU has become a key device in new power system construction due to its innovative breakthroughs in energy efficiency management, green design, and intelligent control. It reduces energy consumption over 80% compared to traditional FTU.

Greenhouse Gas Emissions Data

The following table sets forth the details of the Company's greenhouse gas emissions during the Track Record Period.

		Year ended December 31,				Six months ended June 30,
Indicator	**Unit**	**2023**	**2024**	**2025**	**Unit**	**2026**
Total Greenhouse Gas Emissions . .	tCO_2e	248,334.79	260,635.41	278,683.66	tCO_2e	141,050.50
Scope 1 GHG Emissions . .	tCO_2e	127.61	126.70	113.16	tCO_2e	16.96
Scope 2 GHG Emissions . .	tCO_2e	2,266.27	2,793.31	2,822.59	tCO_2e	1,299.47
Scope 3 GHG Emissions . .	tCO_2e	245,940.91	257,715.40	275,747.91	tCO_2e	139,734.07

Notes: The company conducts greenhouse gas calculations in accordance with the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004)."

1. The Company conducts greenhouse gas (GHG) calculations in accordance with the requirements of the Hong Kong Stock Exchange and the *GHG Protocol: Corporate Accounting and Reporting Standard (2004)*, following the electrical equipment manufacturing industry classification.

2. (1) The Company's total GHG emissions include Scope 1, Scope 2 and Scope 3 GHG emissions.

   (2) Scope 1 GHG emissions cover emissions generated from the consumption of fossil fuels in the Company's operations; Scope 2 GHG emissions cover emissions from purchased electricity in the Company's operations; Scope 3 GHG emissions cover other indirect emissions from the Company's operations, including both upstream and downstream emissions.

We plan to reduce our scope 1 and scope 2 GHG emissions intensity, calculated on the basis of revenue, by more than 30% by 2030 as compared with the 2020 level, achieve carbon neutrality in respect of our Scope 1 and Scope 2 GHG emissions by 2050, and strive to achieve carbon neutrality throughout the life cycle of our products by 2060. We will continue to monitor and review our progress towards achieving these targets.

To achieve the above targets, with respect to Scope 1 emissions, we plan to gradually phase out fuel-powered vehicles and forklifts and replace gas-fired equipment with electric alternatives. With respect to Scope 2 emissions, we plan to increase the proportion of electricity derived from renewable sources and upgrade our facilities to reduce energy consumption per unit of product. We also plan to conduct energy efficiency upgrades for our core products to lower per-unit energy

consumption. Leveraging our power equipment and energy storage technology capabilities, we plan to actively promote integrated "generation-grid-load-storage" solutions, and employ peak-shaving, demand management and other technical measures to reduce our carbon footprint during the operational phase. With respect to Scope 3 emissions, we plan to prioritize the procurement of raw materials with eco-labels and high recycled material content. We also plan to optimize logistics routes and vehicle loading rates through algorithm-based planning to reduce empty-load rates and inefficient transport mileage. For short-distance delivery, we plan to prioritize the procurement or leasing of new energy logistics vehicles meeting National VI or above emission standards and gradually expand the coverage of such delivery. We plan to promote the use of green packaging materials among our suppliers and customers, and progressively establish a reverse recycling system for packaging materials.

Environmental and Water Resource Management

We strictly adhere to *The Ecological and Environmental Code of the People's Republic of China* and other relevant environmental regulations and standards. We have established internal management systems and have obtained ISO 14001 Environmental Management System certification. We are committed to minimizing the impact of our operations on ecosystems and natural resources. During the Track Record Period, we had not experienced any environmental pollution incidents.

We place high importance on the rational use and protection of water resources, strictly complying with all relevant laws, regulations, and standards governing water resource management in our operational locations. The Company's water supply originates from municipal tap water, primarily used for domestic purposes in office areas and cafeterias. Consequently, we actively promote water conservation among employees and encourage departments to implement measures to enhance water recycling rates.

Emissions Management

Guided by green development principles, we strictly adhere all applicable environmental laws, regulations, and standards in our operational regions and target markets. This ensures all pollutant emissions meet national and local regulatory limits.

Exhaust Gas Management: We have installed an online monitoring system with remote anomaly alert capabilities. Additionally, the Company regularly commissions professional testing agencies to conduct inspections, ensuring test results comply with national standards and obtain qualified reports.

Exhaust Gas Emissions Data

The following table sets forth the details of the Company's exhaust gas emissions during the Track Record Period.

		Year ended December 31,			Six months ended June30,
Indicator	**Unit**	**2023**	**2024**	**2025**	**2026**
Particulates emissions	mg/m^3	6.6	5.3	1.0	1.3

Wastewater Management: We have implemented a comprehensive water pollution management system to minimize the impact of our operations on aquatic environments. The CSG Hefei Park has established an "Inflow Monitoring — Process Control — Effluent Testing" management system, conducting regular tests for indicators such as COD (Chemical Oxygen Demand), Ammonia Nitrogen to ensure stable treatment outcomes.

The following table sets forth the details of the Company's wastewater discharge during the Track Record Period.

		Year ended December 31,			Six months ended June30,
Indicator	**Unit**	**2023**	**2024**	**2025**	**2026**
Total wastewater	m^3	16,800	17,000	17,400	8,800
Chemical oxygen demand (COD)	mg/L	173	167	144	282
Suspended solids	mg/L	127	89	45	67
Ammonia nitrogen	mg/L	12.1	22.6	21.4	28.6

Waste Management: For solid waste, the Company strictly implements classified management to ensure compliance with relevant national and local environmental protection laws and regulations.

The following table sets forth the details of the Company's solid waste disposal during the Track Record Period.

		Year ended December 31,			Six months ended June30,
Indicator	**Unit**	**2023**	**2024**	**2025**	**2026**
Solid Waste	Tonne	25	28	32	17

Energy Management

We are committed to enhancing energy efficiency and promoting the renewal and modernization of production equipment. The Company has established and implemented an energy management system compliant with ISO 50001 standards, continuously optimizing energy-saving and consumption-reduction policies and measures. During the Track Record Period, to support the achievement of renewable energy usage targets and steadily increase the proportion of renewable energy in the Company's energy mix, the Company allocated dedicated funds annually for the construction and operation of photovoltaic power generation facilities.

Social Responsibility

Supply Chain Management

We integrate sustainability principles into our supply chain management system. Our supply chain security system complies with the ISO 28000:2007 standard and has obtained third-party certification. We have established the *Supplier Management System* and the *Raw Material Green Procurement Management System*, clearly prioritizing the selection of raw materials and components with low environmental impact to reduce environmental risks at the source.

We have established a closed-loop mechanism covering supplier onboarding, evaluation, auditing, and dynamic management. Leveraging our supplier management platform and ERP system, we integrate production energy consumption and emissions data for raw and auxiliary materials to build a green supply chain database. The Company has obtained a Green Supply Chain Evaluation Certificate, validating our outstanding performance in supply chain greening.

Product Quality and Customer Service

We have established a full-lifecycle quality control system certified under the ISO 9001 Quality Management System. The Company adheres to a "Quality Objective Assessment" mechanism, ensuring systematic control over every stage—from design and development, supplier management, and production processing to finished product inspection. We maintain monthly quality assurance reports and quarterly quality analysis meetings, conducting statistical analysis of quality data from incoming goods, processes, finished products, and project sites to drive continuous quality improvement.

To achieve precise product quality traceability, we have innovatively developed the "Smart Logistics QR Code System". Leveraging IoT and blockchain technology, this system assigns a unique QR code or RFID tag to each product, recording real-time data throughout its entire lifecycle—from raw material procurement and production processes to warehousing and logistics—ensuring data integrity and tamper-proofing.

We have established the *Customer Satisfaction Survey Management System* and the *Customer Complaint Handling Process and Management Measures* to enhance customer service satisfaction. For product recall management, the Company has updated the *Defective Product Recall Management Regulations and Emergency Response Plan*, clarifying full-process management requirements from defect assessment and reporting to recall rectification.

Information and Data Security

Regarding information security risk management, we prioritize data asset protection. We have comprehensively revised our *Information Security Management System*, established a robust cybersecurity defense framework, and implemented the Level III Classified Protection standard. The Company has deployed endpoint protection, data encryption, and dual-machine hot standby systems, while establishing private cloud storage and disaster recovery backup mechanisms to build a solid technical defense. We have obtained ISO 27001 Information Security Management System certification.

We have established a routine emergency response mechanism, conducting regular data and cybersecurity drills that simulate various attack and failure scenarios, effectively safeguarding the security of our Company's core data assets. Concurrently, we place high importance on enhancing personnel awareness and protecting customer privacy, establishing an information security inspection position and providing professional training for all employees covering database maintenance and cybersecurity knowledge. Regarding privacy protection, we strictly enforce our internal *Confidentiality Management Measures*, requiring all employees to sign a *Company Employee Confidentiality Pledge*. Confidentiality clauses are rigorously stipulated in commercial contracts with clients. During the Track Record Period, the Company experienced no losses resulting from client privacy breaches and encountered no major information security incidents.

Occupational Health, Safety, and Care

We rigorously implement the *Work Safety Law of the People's Republic of China* and the *Occupational Disease Prevention and Control Law of the People's Republic of China*. Having obtained ISO 45001 Occupational Health and Safety Management System certification, we have established multiple internal systems to ensure safety management follows established protocols.

We have established a dual prevention mechanism combining risk classification control and hidden danger investigation and management. We conduct comprehensive workplace health and safety inspections on a regular basis, dynamically assessing and preventing potential risks. We continuously provide comprehensive safety education and training to enhance employees' safety awareness and protective capabilities. The Company organizes occupational health and safety training through both online and offline channels, covering all employees, and conducts specialized training on occupational safety risk prevention.

Regarding employee health safeguards, we comply with local government requirements by completing annual occupational hazard factor testing on schedule and organizing occupational disease examinations for relevant personnel, ensuring comprehensive occupational health checkups for all employees. Furthermore, we offer psychological counseling services and fully provide labor protective equipment to holistically safeguard employees' physical and mental well-being.

Community Relations Management

We adhere to the common progress of enterprise and social development, viewing the fulfillment of social responsibilities as an obligation of corporate citizenship. We focus on three key areas: caring for vulnerable groups, rural revitalization, and improving people's livelihoods, giving back to society through diverse philanthropic initiatives. We continuously carry out activities to assist the disabled, support the elderly, and help families in need.

Intellectual Property and R&D Innovation

We have established comprehensive *Intellectual Property Management Control Procedures* and successfully obtained GB/T 29490-2023 Intellectual Property Management System certification. The Company has built a system framework encompassing the *Strategic and Institutional Framework for Scientific and Technological R&D Management*, and the *R&D Project Incentive Management Measures*, fostering an environment that encourages innovation across all employees and protects intellectual achievements. We have formulated the *Intellectual Property Management System*, focusing on technological breakthroughs in products and solutions under our two business segments.

We have established close scientific partnerships with renowned universities. Together, we tackle technological challenges and cultivate talent, achieving deep integration of technology and industry through joint innovation.

Anti-Corruption and Anti-Bribery

We adhere to the bottom line of compliant operations, positioning business ethics as a core pillar of corporate governance. We have formulated the *Integrity and Self-Discipline Code of Conduct*, clearly defining behavioral boundaries in high-risk business scenarios. This establishes a comprehensive prevention mechanism covering preemptive prevention, real-time monitoring, and post-event accountability. Regular anti-corruption training is provided to staff, continuously reinforcing compliance awareness across the organization.

We maintain open reporting channels, including dedicated hotlines and email addresses, accepting both named and anonymous reports. A robust whistleblower protection mechanism prohibits retaliation against good-faith reporters.

Employees

Employment and Rights Protection

We adhere to lawful employment practices, strictly complying with the *Labor Law of the People's Republic of China*, and relevant laws and regulations. This ensures comprehensive coverage of labor contract execution and social insurance enrollment. We have established a *Standard Recruitment Process System*. We are committed to fostering a diverse and inclusive workplace environment, actively recruiting female employees and individuals with disabilities, providing them with fair job opportunities and equal treatment.

Compensation and Benefits

We have established the *Employee Benefits Management Measures* to provide competitive compensation and benefits. Beyond the statutory "Five Social Insurances and One Housing Fund", we offer comprehensive coverage including health checkups and holiday benefits.

Promotion and Training

We prioritize talent cultivation and development through a "Dual-Track, Multi-Platform" career system that integrates management and professional advancement pathways. Our comprehensive talent development initiatives include the "Rising Star Program" for new graduates, the "Eagle Program" for management cadres, and internal instructor certification programs. Through continuous optimization of human resources management and employee care initiatives, we regularly conduct employee satisfaction surveys and implement ongoing improvements, fully reflecting employees' sense of identification and belonging with the Company.

We strictly adhere to relevant laws and regulations, including the *Occupational Disease Prevention and Control Law of the People's Republic of China*, by formulating and implementing internal management regulations such as the *Environmental, Occupational Health, and Safety Operational Control Procedures*. The Company has obtained ISO 45001 Occupational Health and Safety Management System certification. We continuously strengthen occupational hazard monitoring, protective equipment provision, and comprehensive health checkups for all employees. We systematically optimize the work environment to effectively safeguard occupational health and safety. Concurrently, through regular safety training, hazard identification, and emergency drills, we tangibly enhance employees' safety awareness and emergency response capabilities.

PROPERTIES

Our headquarters is located in Shanghai, PRC. As of June 30, 2026, we owned fourteen properties in the PRC with an aggregate GFA of approximately 247,825.5 sq.m., primarily used for production, R&D, offices and warehousing purposes. As advised by our PRC Legal Advisor, our Group has obtained ownership certificates and our use of the properties does not contravene the use specified in the ownership certificates with respect to the properties we owned.

As of June 30, 2026, we leased twelve properties in the PRC, with an aggregate GFA of approximately 32,831.9 sq.m., primarily used for production, R&D and offices purposes. As of the Latest Practicable Date, we had not registered our rental agreements for twelve leased properties in the PRC with the competent authorities because the relevant lessors failed to register and file the leases with the local government authorities on time. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements or result in us being required to vacate the leased properties. However, the relevant PRC authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements, therefore the aggregate amount of the maximum fine will be RMB120,000. See "Risk Factors — Risks Relating to Our Business and Industry — We face certain risks in relation to our leases."

The Property Valuation Report from Asia-Pacific Consulting and Appraisal Limited, an independent property valuer, set out in Appendix VI of this document, sets out details of our selective property interests as of July 31, 2026. Asia-Pacific Consulting and Appraisal Limited valued these property interests at an amount of RMB308,782.0 thousand as of July 31, 2026. Except for the property interests set forth in the Property Valuation Report from Asia-Pacific Consulting and Appraisal Limited, pursuant to Rule 5.01A of the Listing Rules, during the Track Record Period and up to the Latest Practicable Date, no single property interest (i) that formed part of our property activities had a carrying amount representing 1% or more of our total assets; or (ii) that formed part of our non-property activities had a carrying amount representing 15% or more of our total assets.

INSURANCE

We maintain product liability insurance and employers' insurance, though it may not cover all potential damage that we may suffer during our business operations. Consistent with customary industry practice in the PRC, we do not maintain standard business interruption insurance and key-man life insurance. Overall, we believe our insurance policies are consistent with general market practices and comply with applicable regulations in the PRC. See "Risk Factors — Risks Relating to Our Business and Industry — We may not have sufficient insurance coverage to cover our business risks."

RISK MANAGEMENT AND INTERNAL CONTROL

We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal and market risks identified in relation to our operations. We also periodically review these procedures to ensure their effectiveness. To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted the following major risk management measures: (i) Our Board is responsible for monitoring our internal control system, assessing its effectiveness and maintaining suitable and effective risk tolerance levels; (ii) Our audit committee and audit department assists our management with developing risk management policies and reviewing major risk management matters, providing guidance to relevant departments on risk management measures and overseeing the implementation of risk management policies; and (iii) Our financial center, securities investment department, legal department, HR center and other relevant departments are responsible for implementing our risk management policies and conducting daily risk management activities.

To ensure that the above compliance culture is embedded into everyday workflow and sets the expectations for individual behavior across the organization, we regularly review our risk management policies and internal management procedures, and conduct compliance training. We are of the view that our enhanced internal control system is adequate and effective for our current operations.

LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

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

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. We are of the view that, we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions in which we operate during the Track Record Period and up to the Latest Practicable Date.

LICENSES AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant governmental authorities that are material to our business operations in markets in which we operate. We renew all such material permits and licenses from time to time to comply in all material aspects with the relevant laws and regulations and we do not expect any material difficulties in such renewals so long as we comply with the applicable requirements and conditions set by the relevant laws and regulations.

The following table sets forth the details of the material licenses and permits necessary for our business operations.

Holder	Name of PRC Certificate	Expiry Date
The Company	Construction Enterprise Qualification Certificate (Electric Power Engineering Construction General Contracting Grade II, Communication Engineering Construction General Contracting Grade II, Electronic & Intelligent Engineering Professional Contracting Grade II, Power Transmission and Transformation Engineering Professional Contracting Grade II, Construction Labor Enterprise Qualification Labor Subcontracting Non-Graded (Filing))	January 7, 2030

Holder	Name of PRC Certificate	Expiry Date
The Company	Electric Power Facilities Installation, Repair & Testing License (Installation Class 3, Repair Class 3, Testing Class 3)	December 5, 2031
The Company	Work Safety Permit	December 14, 2028
Shenzhen HW Automation (Dongguan Branch)	Fixed Pollution Source Discharge Registration Receipt	June 13, 2029
Shanghai Yongqian	Fixed Pollution Source Discharge Registration Receipt	December 21, 2030
CSG Smart Electrical	Construction Enterprise Qualification Certificate (Electric Power Engineering Construction General Contracting Grade II)	April 13, 2028
CSG Smart Electrical	Construction Enterprise Qualification (Construction Labor Sequence Non-Graded)	December 27, 2029
CSG Smart Electrical	Electric Power Facilities Installation, Repair & Testing License (Installation Class 3, Repair Class 3, Testing Class 3)	March 21, 2028
CSG Smart Electrical	Work Safety Permit	May 31, 2027
CSG Smart Electrical	Fixed Pollution Source Discharge Registration Receipt	October 28, 2030
CSG Smart Electrical	Fixed Pollution Source Discharge Registration Receipt	September 13, 2031
CSG Zhengxin	Fixed Pollution Source Discharge Registration Receipt	April 13, 2030
Hefei CSG Robot	Civil Unmanned Aircraft System Operation Certificate	September 12, 2026
Hefei CSG Robot	Fixed Pollution Source Discharge Registration Receipt	November 27, 2030
CSG Digital	Fixed Pollution Source Discharge Registration Receipt	November 13, 2030
Hefei CSG Robot	Work Safety Permit	April 8, 2029
Hefei CSG Robot	Construction Enterprise Qualification Certificate (Construction Labor Services, No Grade Classification)	October 23, 2030
Yuanguang Electrical	Fixed Pollution Source Discharge Registration Receipt	October 8, 2030

COMPLIANCE WITH LAWS AND REGULATIONS

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

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received as of the Latest Practicable Date.

Award/Honor/Recognition	Award Year	Awarding Authority
First Prize, 2025 Electric Power Science and Technology Progress Award	2025	Chinese Society for Electrical Engineering
Second Prize, China Instrument and Control Society Science and Technology Progress Award	2025	China Instrument and Control Society
First Prize, 2023 to 2025 Anhui Provincial Science and Technology Progress Award	2024, 2025, 2026	Anhui Provincial People's Government
First Prize, 2024 Anhui Provincial Technology Invention Award	2025	Anhui Provincial People's Government
Second Prize, China Instrument and Control Society Science and Technology Progress Award	2024	China Instrument and Control Society
Double Silver Awards, 27th National Invention Exhibition	2024	China Association of Inventions
"2024 Shanghai Top 100 Manufacturing Enterprises", "2024 Shanghai Top 100 Private Manufacturing Enterprises", and "2024 Shanghai Top 100 Emerging Industry Enterprises"	2024	Shanghai Enterprise Confederation, Shanghai Entrepreneurs Association, Shanghai Federation of Industrial Economics, and Jiefang Daily
"Top 100 Enterprises" on the 2024 Shanghai Specialized, Refined, Distinctive, and Innovative Enterprises Brand Value List	2024	Shanghai SME Development Service Center, Shanghai Enterprise Culture and Brand Research Institute
2024 Shanghai Top 100 Hardcore Technology Enterprises	2024	Shanghai Industrial Technology Innovation Promotion Association, Shanghai Association for Science and Technology
Second Prize, 2023 China Electrotechnical Society Science and Technology Progress Award	2023	China Electrotechnical Society
First Prize, China Metrology and Testing Society Science and Technology Progress Award	2023	China Metrology and Testing Society
2023 Shanghai Top 100 Hardcore Technology Enterprises	2023	Shanghai Industrial Technology Innovation Conference, Shanghai Industrial Technology Innovation Promotion Association, jointly with Shanghai Association for Science and Technology, Baoshan District Government, etc.

OVERVIEW

As of the Latest Practicable Date, Dr. Huang, our executive Director and the chairman of our Board, directly held 170,875,862 A Shares, accounting for approximately 21.84% of the issued share capital of our Company.

Immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised, the options granted under the 2025 Share Incentive Scheme are not exercised and that no changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**]), Dr. Huang will be interested in approximately [**REDACTED**]% of the total issued share capital of our Company. Dr. Huang will remain as the Single Largest Shareholder of our Company.

For further information about Dr. Huang, see "Directors and Senior Management" in this Document.

For a simplified corporate structure chart of our Group, see "History, Development and Corporate Structure — Our Corporate Structure Immediately after the [**REDACTED**]" in this Document.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, our Single Largest Shareholder did not have any interest in any business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDER

Having considered the following factors, our Directors are of the view that we are able to conduct our business independently from our Single Largest Shareholder and his close associates after the [**REDACTED**].

Management Independence

Our business has been managed and conducted by our Board and senior management. Upon [**REDACTED**], our Board consists of seven Directors, comprising three executive Directors, one non-executive Director, and three independent non-executive Directors, and we also have eight senior management members (of which two are executive Directors). Each of our Directors and senior management members possesses relevant management, financial or industry-related experience to contribute to the management of our business.

For further information on the qualifications and experience of our Directors and senior management, see "Directors and Senior Management."

Operational Independence

Our Directors are of the view that we can continue operating independently from our Single Largest Shareholder after the [**REDACTED**]. We hold and enjoy the benefit of all relevant permits and licenses necessary for carrying out our business in all material respects, and we have sufficient capital, facilities, equipment and employees to operate our business independently from our Single Largest Shareholder. We have also established a comprehensive set of internal control measures to facilitate effective business operations, and we maintain independent customer acquisition channels. Our business operations do not rely on the support of our Single Largest Shareholder in relation to suppliers. In addition, our access to, and relationship with, our key customers and suppliers are independent from our Single Largest Shareholder and his associates during the Track Record Period and will continue to be able to operate independently upon [**REDACTED**].

In light of the above, our Directors are satisfied that we have been operating independently from our Single Largest Shareholder and his associates during the Track Record Period and will continue to be able to operate independently upon [**REDACTED**].

Financial Independence

We have adopted our own independent internal control, accounting, funding, reporting and financial management systems, and we also have an independent accounting and finance department responsible for discharging relevant financial management function with relevant finance personnel.

Moreover, we open and manage our bank accounts independently and have never shared any bank account with our Single Largest Shareholder. We do not expect to rely on our Single Largest Shareholder or his close associates for financing after the [**REDACTED**] as we expect that our working capital will be funded by cash flows generated from operating activities, the cash and cash equivalents on the balance sheet as well as the [**REDACTED**] from the [**REDACTED**]. In addition, we are capable of obtaining financing from Independent Third Parties on comparable terms without relying on any guarantee or security provided by our Single Largest Shareholder or his close associates.

Following the [**REDACTED**], we expect to pursue further fundraising activities in both onshore and offshore markets to the extent as our Directors consider necessary, depending on factors such as market conditions, business needs, and financial position, while ensuring compliance with applicable regulatory requirements. Given our proven ability to secure independent financing and our established relationships with financial institutions, we believe that after the [**REDACTED**], we will continue obtaining financing on terms comparable to our existing loans without requiring guarantees from our Single Largest Shareholder or his associates. As of the Latest Practicable Date, we did not have any outstanding loans or guarantees provided by or granted to, nor any non-trade balances due to or due from, our Single Largest Shareholder or his associates.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Shareholder and his associates from a financial perspective without undue reliance on our Single Largest Shareholder or his close associates.

CORPORATE GOVERNANCE

Our Directors acknowledge the importance of good corporate governance in protection of our Shareholders' interests. In order to further manage any potential conflicts of interest with the Single Largest Shareholder and his close associates, we have adopted the following measures:

(1) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association and terms and rules of procedure of Board meetings to comply with the Listing Rules to provide that a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates have a material interest;

(2) where a shareholders' meeting is held for considering proposed transactions in which our Single Largest Shareholder has a material interest, our Single Largest Shareholder shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting;

(3) our Company has formulated and adopted policies and mechanisms in relation to (i) internal controls and decision-making procedures for related party transactions and connected transactions, (ii) the prevention of appropriation of funds by the Single Largest Shareholder, and other related parties, (iii) provision of external guarantee, and (iv) internal audit;

(4) if our Group and our Single Largest Shareholder or any of his associates intend to engage in any connected transaction, our Company will comply with the relevant requirements relating to connected transactions under the Listing Rules;

(5) we will keep a balanced composition of executive and independent non-executive Directors on the Board. Upon [**REDACTED**], we will have three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and are free of any business or other relationship that could interfere in any material manner with the exercise of their independent judgment. We also believe that our independent non-executive Directors are able to provide impartial opinions to safeguard the interests of our Shareholders as a whole;

(6) where our independent non-executive Directors request or are requested to review any conflict of interests circumstances between our Group and our Single Largest Shareholder and his close associates, our Single Largest Shareholder and/or our other Directors shall provide our independent non-executive Directors with all necessary information for consideration and our independent non-executive Directors shall be provided with access to independent advisors at the expense of our Company;

(7) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements (as the case may be);

(8) where our Directors reasonably request the advice of independent professionals, the appointment of such independent professionals will be made at our Company's expenses; and

(9) we have appointed Guoyuan Capital (Hong Kong) Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations and the Listing Rules, including various requirements relating to corporate governance, upon [**REDACTED**].

DIRECTORS

Our Board consists of seven Directors, of whom three are executive Directors, one is non-executive Director and three are independent non-executive Directors. The following table provides certain information about the Directors:

Name	Age	Position	Responsibility	Time of joining our Group	Time of appointment as Director
Dr. Huang Mingsong (黄明松)	55	Executive Director, chairman of our Board and acting secretary to our Board	Convening and chairing general meetings and board meetings; overall strategic planning, development and management, and overseeing the business operation of our Group	November 2002	November 2002
Ms. Wang Tingting (汪婷婷)	41	Executive Director and chief executive officer	Overseeing the daily operations and management of our Group's core business divisions, assisting the implementing our Group's strategic plans, and enhancing internal management efficiency	August 2007	January 2020
Ms. Ren Xueyan (任雪艳)	49	Executive Director and vice president	Managing our Group's administrative affairs and human resources, and managing daily operations of our Group's manipulator business	November 2002	January 2022
Ms. Zhang Li (張莉)	38	Non-executive Director	Supervising and providing professional opinion and judgment to our Board	May 2025	May 2025
Dr. Wang Qing (王清)	41	Independent non-executive Director	Providing independent opinion and judgment to our Board	January 2025	January 2025
Dr. Li Ao (李驁)	49	Independent non-executive Director	Providing independent opinion and judgment to our Board	January 2025	January 2025
Dr. Zhang Yuhao (張宇昊)	36	Independent non-executive Director	Providing independent opinion and judgment to our Board	December 2025	December 2025

None of the Directors and senior management members of our Company is related to the other Directors or senior management members of our Company. Save as disclosed in this section, (i) none of the Directors held any directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this Document; (ii) to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Executive Directors

Dr. Huang Mingsong (黃明松), aged 55, is our executive Director, the chairman of our Board and acting secretary to our Board. Dr. Huang has been our Director and the chairman of our Board since November 2002. He is primarily responsible for convening and chairing board and general meetings, participating in the formulation of our Group's strategic plans and risk management policies, and overseeing the overall management and business operations of our Group.

Dr. Huang accumulated extensive experience in industrial automation, technology management and strategic planning to promote the growth of our Company. Since joining our Group in November 2002, he has held several key management positions, including the chairman of our Board since November 2002, where he has been responsible for leading strategic planning and overseeing corporate governance. He served as an executive Director of CSG Smart Electrical from June 2009 to July 2014, where he was responsible for business planning and operational management; director of Shanghai Yongqian from April 2014 to October 2022; director of CSG (Hong Kong) Co., Ltd. (科大智能(香港)有限公司) since July 2026. He has served as our Director and chairman of our Board since November 2002 and a director of Shanghai Fuke Intelligent Robotics Research Institute Co., Ltd.* (上海復科智能機器人研究院有限公司) ("**Fuke Intelligent Robot**") since March 2019. He has more than 20 years of experience in the smart technology and industrial automation sectors.

Dr. Huang obtained his master's degree in industrial economics from Hefei University of Technology (合肥工業大學) in 2003 and his EMBA from Cheung Kong Graduate School of Business (長江商學院) in 2012. He further obtained a doctoral degree in Business Administration from University of Minnesota in 2021.

Dr. Huang was a director of Hefei Yalong Power Equipment Co., Ltd.* (合肥亞隆電力設備有限責任公司) ("**Hefei Yalong**"), a limited liability company established in the PRC, the license of which was revoked on September 18, 2005 due to the cession of business. Dr. Huang confirmed that Hefei Yalong was solvent at the time of revocation. As of the Latest Practicable Date, no claims had been made against Dr. Huang and he was not aware of any threatened or potential claims made against him in his capacity as a director prior to the revocation.

Ms. Wang Tingting (汪婷婷), aged 41, is our executive Director and our chief executive officer. Ms. Wang has been our Director since January 2020, and our chief executive officer since May 2025. Ms. Wang is primarily responsible for overseeing the daily operations and management of our Group's core business divisions.

Ms. Wang joined our Group in August 2007, and has successively served in multiple key positions, including a deputy general manager of CSG Smart Electrical from 2014 to 2016 and the general manager since 2016; an executive director of CSG Smart Robot since November 2019; an executive director of Shanghai Yongqian from March 2020 to October 2022; and a director and the general manager of CSG Smart Science & Technology (Australia) Pty Ltd. since January 16, 2025. Ms. Wang served as a deputy director of the marketing center of our Company from March 2013 to April 2021; a supervisor of our Company from January 2013 to January 2019, and a vice president of our Company from January 2019 to May 2025. Ms. Wang has been appointed as a Director and the chief executive officer of our Company since January 2020 and May 2025, respectively.

Ms. Wang obtained her bachelor's degree in English from Anhui Agricultural University (安徽農業大學) in 2007 and her master's degree in business administration from Fudan University (復旦大學) in 2016.

Ms. Ren Xueyan (任雪豔), aged 49, has been our executive Director and a vice president since January 2022. Ms. Ren is primarily responsible for managing our Group's administrative affairs and human resources, and managing daily operations of our Group's manipulator business.

Ms. Ren joined our Group in November 2002 and served as an executive director and the general manager of Shanghai Yongqian Industrial Intelligent Equipment Co., Ltd.* (上海永乾工業智能裝備有限公司) from December 2019 to October 2022, an executive director of Shanghai Xinchen Intelligent Technology Co., Ltd.* (上海莘辰智能科技有限公司) ("**Shanghai Xinchen**") from November 2022 to August 2023. She has served as a supervisor of CSG Zhengxin since July 2014, the general manager of CSG Smart Robot since January 2020, a supervisor of CSG Intelligent Manufacturing (Shanghai) Equipment Technology Co., Ltd.* (科大智造(上海)裝備技術有限公司) ("**CSG Intelligent Manufacturing**") since May 2020, a director of Fuke Intelligent Robotics since December 2021, an executive director and the general manager of Wuhan Yongqian since August 2022, an executive director and the general manager of Shanghai Yongqian since October 2022, and an executive director of Shanghai Zhijia Intelligent Technology Co., Ltd.* (上海秩嘉智能科技有限公司) since February 2023.

Ms. Ren obtained her bachelor's degree in applied electronic technology from the Chinese People's Liberation Army Artillery Academy (中國人民解放軍炮兵學院) in 2001 and her master's degree in business administration from Renmin University of China (中國人民大學) in 2015. Ms. Ren has been qualified as an intermediate engineer by the Shanghai Evaluation Committee (上海市評審委員會) since November 2007.

Non-executive Director

Ms. Zhang Li (張莉), aged 38, has been our non-executive Director since May 2025. Ms. Zhang is primarily responsible for supervising and providing professional opinion and judgment to our Board.

Ms. Zhang has extensive experience in corporate planning and team management and most of her professional career under JD.com group, a company dual-listed on the NASDAQ (NASDAQ: JD) and the Hong Kong Stock Exchange (stock code: 9618.HK). She served as a planning specialist at Beijing JD Century Trading Co., Ltd.* (北京京東世紀貿易有限公司) from July 2012 to May 2019, then served as a team leader at Beijing Jingbonda Trade Co., Ltd. (北京京邦達貿易有限公司) from June 2019 to November 2024, and has served as a team leader at Beijing JD Yuansheng Technology Co., Ltd.* (北京京東遠升科技有限公司) since November 2024.

Ms. Zhang obtained her bachelor's degree in logistics management from Shandong University (山東大學) in 2010 and her master's degree in industrial engineering from Shandong University (山東大學) in 2012.

Independent Non-Executive Directors

Dr. Wang Qing (王清), aged 41, has been our independent non-executive Director since January 2025. Dr. Wang is primarily responsible for providing independent opinion to our Board.

Dr. Wang has an extensive academic and professional background, with a strong focus on accounting, auditing and corporate governance. She has been engaged in teaching and research in the field of accounting and auditing since March 2008 and has been a faculty member at Anhui University (安徽大學) since April 2008. She has served as an associate professor at Anhui University since May 2022. She qualifies as an Accounting Professional Independent Director under the SSE Listing Rules given such background.

Dr. Wang has published a series of academic works in leading journals and academic presses in the PRC, demonstrating her in-depth expertise in auditing quality, auditor behavior and corporate governance. Her representative publications include *"Female Executives and R&D Investment: Empirical Evidence from China"* published in *Management World (《管理世界》)* in 2015, *"Do Signing Auditors and Corporate Executives with the Same Surname Tend to Collude?"* published in the *Journal of Shanghai University of Finance and Economics (《上海財經大學學報》)* in 2018, and *"Professional Experience Characteristics of Signing Certified Public Accountants and Audit Quality: Empirical Evidence from China's Securities Market"* published by *China Market Press (《中國市場出版社》)* in 2021. These studies reflect her sustained research focus on auditing practices, auditor independence and audit quality in the context of listed companies.

Dr. Wang has served as an independent non-executive director of YDH Cross Border Logistics (Shanghai) Co., Ltd. (義達跨境(上海)物流股份有限公司), a company quoted on the National Equities Exchange and Quotations (NEEQ) (stock code: 873064.NQ) since November 2023, an independent non-executive director of Anhui Hwasu Co., Ltd. (安徽華塑股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600935.SH) since May 2025, and an independent non-executive director of Tianjin Ruixin Technology Co., Ltd. (天津銳新昌科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300828.SZ) since September 2025. In the course of her service in the above independent non-executive director roles, Dr. Wang has participated in the review and discussion of periodic financial statements, the oversight and evaluation of the work, independence and performance of external auditors, and the assessment of the effectiveness of internal control and risk management systems. Since assuming the role of independent director and chairperson of the audit committee (accounting professional independent director) of the Company in January 2025, Dr. Wang has reviewed and confirmed the company's financial statements and annual internal control status, including the 2024 Annual Report, the 2024 Internal Control Self-Assessment Report, the 2025 First Quarter Report, the 2025 Semi-Annual Report, and the 2025 Third Quarter Report. During the 2025 audit, she oversaw the audit and the progress of the annual report preparation together with accountant. As the chairperson of the audit committee, Dr. Wang oversaw the internal audit department to understand the various aspects of the company's internal control and reviewed the annual internal control report prepared by the internal audit department.

Dr. Wang obtained her bachelor's and master's degrees in accounting from Anhui University of Finance & Economics (安徽財經大學) in 2005 and 2008, respectively, and her doctoral degree in accounting from Jiangxi University of Finance and Economics (江西財經大學) in 2018.

Dr. Li Ao (李驁), aged 49, has been our independent non-executive Director since January 2025. Dr. Li is primarily responsible for providing independent opinion to our Board.

Dr. Li has held key academic positions at prestigious institutions, contributing significantly to scientific research and higher education. He conducted postdoctoral research at Yale University from February 2006 to December 2010. He has been a doctoral supervisor at the USTC since 2014. Dr. Li has received several awards for his academic achievements, including the Wang Kuancheng Yucai Award (王寬誠育才獎) from the USTC in December 2023, and the First Prize of the 7th Anhui Provincial Excellent Academic Paper in Natural Sciences (安徽省第七屆自然科學優秀學術論文一等獎) awarded by the Anhui Association for Science and Technology, Anhui Provincial Department of Science and Technology, and Anhui Provincial Department of Human Resources and Social Security in April 2013.

Dr. Li obtained his bachelor's degree in biophysics and his doctoral degree in biomedical engineering from the USTC in 2000 and in 2005, respectively.

Dr. Zhang Yuhao (張宇昊), aged 36, has been our independent non-executive Director since December 2025. Dr. Zhang is primarily responsible for providing independent opinion to our Board.

Dr. Zhang has an extensive academic and research background in electronic engineering. He has held academic positions at reputable higher education institutions and has contributed to teaching and research in the fields of electrical and electronic engineering. Dr. Zhang previously served as an assistant professor and subsequently as a tenured associate professor at Virginia Polytechnic Institute and State University in the United States from 2018 to 2024. He is currently a tenured full professor in the Department of Electrical and Electronic Engineering at The University of Hong Kong since November 2024, and has been serving as the associate director of the Centre for Advanced Semiconductors and Integrated Circuits of The University of Hong Kong since June 2025.

Dr. Zhang obtained his bachelor's degree in physics from Peking University (北京大學) in 2011, his master's and doctoral degrees in electronic engineering from the Massachusetts Institute of Technology in the United States in 2013 and 2017, respectively.

SENIOR MANAGEMENT

The following table provides the information on the senior management members of our Company:

Name	Age	Position	Responsibility	Time of joining our Company	Time of appointment as senior management
Ms. Wang Tingting (汪婷婷)	41	Executive Director and chief executive officer	Overseeing the daily operations and management of the Group's core business divisions, assisting the implementing the Group's strategic plans, and enhancing internal management efficiency	August 2007	January 2020
Ms. Ren Xueyan (任雪艷)	49	Executive Director and vice president	Managing our Group's administrative affairs and human resources, managing and daily operations of our Group's manipulator business	November 2002	January 2022
Mr. Mu Junbai (穆峻柏)	47	Vice president	Managing daily operations of our Group, and participating in major business decision-making	October 2009	January 2010
Dr. Liu Wei (劉偉)	43	Vice president	Managing daily operations of our Group's energy storage systems business, and management of our Group's research institute	April 2019	May 2025
Mr. Zhang Jiyong (張吉勇)	40	Vice president	Managing daily operations of our Group's power distribution and consumption products and solutions business	July 2009	May 2025
Mr. Qin Minghui (秦明輝)	43	Vice president	Leading R&D plan of our Group's power distribution and consumption products and solutions business	April 2010	May 2025
Mr. Huang Junwei (黃君巍)	39	Chief financial officer and joint company secretary	Overall financial management of our Group	July 2010	May 2025

For details of Ms. Wang Tingting (汪婷婷) and Ms. Ren Xueyan (任雪艷), see "— Directors — Executive Directors" in this section.

Mr. Mu Junbai (穆峻柏), aged 47, has been our vice president since January 2019. Mr. Mu is primarily responsible for managing daily operations of our Group, and participating in major business decision-making.

Mr. Mu joined our Group in October 2009. He has held a number of senior management and directorship positions within our Group and affiliated companies. In particular, he served as the chief financial officer of our Company from January 2010 to May 2025 and as the secretary to our Board from May 2012 to January 2025. Additionally, he has served as an executive director, the general manager, a director and/or a senior management member of, among others, CSG Intelligent IoT Technology Co., Ltd.* (科大智能物聯技術股份有限公司) since November 2016, CSG Intelligent Technology (Germany) GmbH since 2017, Fuke Intelligent Robot since March 2019, Shanghai Jiehuan Intelligent Technology Co., Ltd.* (上海捷煥智能科技有限公司) since January 2022, Shanghai Yongqian Industrial Intelligent Equipment Co., Ltd.* (上海永乾工業智能裝備有限公司) since October 2022, CSG Digital, Shanghai Anneng Jiaye Energy Storage Technology Co., Ltd.* (上海安能佳業儲能技術有限公司) since December 2022, CSG NaNeng (Shanghai) New Energy Development Co., Ltd.* (科大鈉能(上海)新能源發展有限公司) since May 2023, Shanghai Yingtong since August 2023, Guoke New Energy (Shenzhen) Technology Co., Ltd.* (國科新能(深圳)技術有限公司) since November 2023 and CSG Intelligent Manufacturing since April 2024.

Mr. Mu obtained his bachelor's degree in accounting from Anhui University (安徽大學) in 2002 and his master's degree in business administration from China Europe International Business School (中歐國際工商學院) in 2025. Mr. Mu obtained the Certified Public Accountant (CPA) qualification of the PRC in March 2004.

Dr. Liu Wei (劉偉), aged 43, has been our vice president since May 2025. Dr. Liu is primarily responsible for managing daily operations of our Group's energy storage systems business, and management of our Group's research institute.

Dr. Liu joined our Group in April 2019. He held a number of senior management positions within our Group and affiliated companies. In particular, he served as a vice general manager and director of CSG Intelligent IoT Technology Co., Ltd.* (科大智能物聯技術股份有限公司) from September 2019 to February 2025. He has served as a director of the research institute of our Company since April 2019, and the executive partner of Shanghai Shengxin Enterprise Management Partnership (Limited Partnership)* (上海笙馨企業管理合夥企業(有限合夥)) since April 2025.

Dr. Liu obtained his bachelor's degree in electronic information engineering from the South China University of Technology (華南理工大學) in 2005, both his master's and doctoral degrees in biomedical engineering from the USTC in 2008 and 2012, respectively. Dr. Liu was accredited as a senior engineer by the Professional Qualification Evaluation Committee of Anhui Province (安徽省技術資格評審委員會) in 2014.

Mr. Zhang Jiyong (張吉勇), aged 40, has been our vice president since May 2025. Mr. Zhang is primarily responsible for managing daily operations of our Group's power distribution and consumption products and solutions business.

Mr. Zhang joined our Group in July 2009. He held several positions in our Group, including a software engineer from July 2009 to January 2020, the general manager and later an executive director of CSG Zhengxin from February 2020 to June 2021, a vice president of the Power Grid Business at CSG Smart Electrical from March 2021 to February 2025. He has served as an executive director of Shanghai Huanze since December 2021, an executive director and the general manager of Anneng Electric Technology (Hefei) Co., Ltd.* (安能電氣科技(合肥)有限公司) since July 2023, and the head of the Nanjing branch of our Company since September 2024.

Mr. Zhang obtained his bachelor's degree in software engineering from Yantai University (煙台大學) in 2009.

Mr. Qin Minghui (秦明輝), aged 43, has been our vice president since May 2025. Mr. Qin is primarily responsible for leading R&D plan of our Group's power distribution and consumption products and solutions business.

Mr. Qin joined our Group in April 2010. He held several positions in our Group, including a R&D engineer from February 2013 to August 2014, a deputy manager from August 2014 to March 2016, a manager from March 2016 to February 2018, a deputy director from February 2018 to December 2018, a director from December 2018 to March 2020, the dean from March 2020 to May 2025, the chief engineer from March 2020 to February 2021, and a vice president of the Power Grid Business at CSG Smart Electrical from July 2022 to May 2025.

Mr. Qin obtained his bachelor's degree in electronic information engineering from Anhui Jianzhu University (安徽建築大學) (previously known as Anhui University of Architecture and Industry* (安徽建築工業學院)) in 2005 and his master's degree in detection technology and automation devices from Hefei University of Technology (合肥工業大學) in 2008. Mr. Qin was accredited as a senior engineer by the Hefei Mechanical and Electrical Engineering Committee (合肥市機械與電氣工程委員會) in December 2020, and was subsequently accredited as a professor-level senior engineer by the Engineering and Technical Title Evaluation Committee of the Anhui Provincial State-owned Assets Supervision and Administration Commission (安徽省國資委工程技術類正高級職稱評審委員會) in December 2025.

Mr. Huang Junwei (黃君巍), aged 39, has been our chief financial officer since May 2025 and joint company secretary since October 2026. He is primarily responsible for the overall financial management of our Group.

Mr. Huang joined our Group in July 2010. During his tenure with our Group, Mr. Huang held several positions in our Group, including a finance manager from July 2010 to September 2022, a deputy finance director from September 2022 to July 2023. Apart from his experience in our Group, Mr. Huang served as an assistant to the general manager from July 2023 to November 2023, finance director and general manager of the investment department at Zenner Metering Technology (Shanghai) Ltd. (上海真蘭儀表科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301303.SZ) from November 2023 to May 2025.

Mr. Huang obtained his bachelor's degree in statistics from Qingdao University of Technology (青島理工大學) in 2010 and his master's degree in business administration from Shanghai Jiao Tong University (上海交通大學) in 2025. Mr. Huang obtained the Certified Public Accountant (CPA) qualification of the PRC in December 2020.

JOINT COMPANY SECRETARIES

Mr. Huang Junwei (黃君巍) will be one of our joint company secretaries with effect from the [**REDACTED**]. See "— Senior Management" above for Mr. Huang Junwei's biography.

Mr. Wong Chun Wing Samuel (黃俊穎) will be one of our joint company secretaries with effect from the [**REDACTED**].

Mr. Wong is an assistant manager of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients. He has over eight years of experience in the company secretarial field. He obtained a bachelor's degree of business administration from The Hang Seng University of Hong Kong in November 2017. Mr. Wong is an associate member of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute in the United Kingdom.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our 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, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice in his or her duties and responsibilities as a director of a listed issuer under the Listing Rules under Rule 3.09D of the Listing Rules on January 10, 2026 and (ii) understands the requirements under the Listing Rules and the possible consequences of making a false statement or providing false information to the Stock Exchange.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed that (i) he or she meets the independence criteria as set out in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) there are no other factors that may affect his or her independence at the time of his or her appointment.

BOARD COMMITTEES

Our Board has established the following committees in accordance with the requirements under the relevant laws and regulations in Chinese Mainland, the Listing Rules and the Corporate Governance Code contained in Appendix C1 to the Listing Rules: (i) the audit committee, (ii) the nomination committee, (iii) the remuneration and appraisal committee, and (iv) the strategy and sustainability committee. Each committee has been delegated specific written terms of reference which deal clearly with its authority and duties.

Audit Committee

Our Board has established an audit committee in compliance with Rule 3.21 of the Listing Rules and the paragraph D.3 of the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules. The audit committee comprises three members, namely Dr. Wang Qing (being our independent non-executive Director with appropriate professional qualifications), Dr. Zhang Yuhao and Dr. Li Ao, with Dr. Wang Qing as the chairperson and the director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the audit committee include, among other things, (i) reviewing our Company's financial information and its disclosure; (ii) supervising and evaluating the work of the external auditors, and making proposals on the appointment or replacement of external audit institutions; (iii) supervising and evaluating the work of the internal audit function, and coordinating between internal and external audits; (iv) evaluating the effectiveness of internal control work, formulating risk management strategies, and overseeing risk control and compliance management in material decisions and business processes; and (v) handling such other matters as may be prescribed by applicable laws and regulations, the self-regulatory rules of the Stock Exchange, the articles of association of our Company, or as otherwise authorized by our Board.

Nomination Committee

Our Board has established a nomination committee in compliance with paragraph B.3 of the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules. The nomination committee comprises three members, namely Dr. Li Ao, Dr. Zhang Yuhao and Ms. Ren Xueyan, with Dr. Li Ao as the chairperson.

The primary duties of the nomination committee include, among other things: (i) formulating the selection criteria and procedures for Directors and senior management, and making recommendations to our Board; (ii) identifying and widely searching for qualified candidates for Directors and senior management; (iii) reviewing, assessing and selecting candidates for Directors and senior management, evaluating their qualifications, and making recommendations to our Board; (iv) making recommendations to our Board on the nomination, appointment or removal of Directors; (v) making recommendations to our Board on the appointment or dismissal of senior management; (vi) reviewing the structure and diversity of the Board; and (vii) handling such other matters as otherwise authorized by our Board.

Remuneration and Appraisal Committee

Our Board has established a remuneration and appraisal committee in compliance with Rule 3.25 of the Listing Rules and the paragraph E.1 of the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules. The remuneration and appraisal committee comprises three members, namely Ms. Wang Tingting, Dr. Zhang Yuhao and Dr. Wang Qing, with Dr. Zhang Yuhao as the chairperson.

The primary duties of the remuneration and appraisal committee include, among other things: (i) formulating remuneration and appraisal schemes for Directors and senior management, taking into account the nature, responsibilities and importance of their positions as well as the remuneration levels of comparable positions in the same industry. Such schemes include, but are not limited to, remuneration packages, performance evaluation standards, appraisal procedures and methods, and the principal standards and relevant systems for rewards and penalties; (ii) reviewing work reports submitted by Directors and senior management and conducting performance evaluations of their fulfillment of duties; (iii) supervising the implementation of our Company's remuneration system and relevant resolutions; (iv) making recommendations and proposals on incentive plans for Directors and senior management; (v) making recommendations to our Board on the remuneration of Directors and senior management; (vi) making recommendations to our Board on the formulation or amendment of equity incentive plans and employee shareholding plans, including the grant of incentive interests to participants and the conditions for vesting and exercise of such interests; (vii) making recommendations to our Board on the arrangements for Directors and senior management to participate in shareholding plans in connection with a proposed spin-off of a subsidiary of our Company; and (viii) handling such other matters as otherwise authorized by our Board.

Strategy and Sustainability Committee

Our Board has established a strategy and sustainability committee. The strategy and sustainability committee consists of three members, namely Dr. Huang Mingsong, Ms. Wang Tingting and Dr. Li Ao, with Dr. Huang Mingsong as the chairperson.

The primary duties of the strategy and sustainability committee include, among other things: (i) reviewing and making recommendations on our Company's long-term development strategies and plans; (ii) reviewing and making recommendations on major investment and financing proposals which, under the articles of association of our Company, require approval of our Board; (iii) reviewing and making recommendations on major capital operations and asset management

projects which, under the articles of association of our Company, require approval of our Board; (iv) reviewing and making recommendations on other significant matters that may affect the development of our Company; and (v) handling such other matters as otherwise authorized by our Board.

CORPORATE GOVERNANCE

Corporate Governance Code

We aim to achieving high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. To accomplish this, our Company expects to comply with the Corporate Governance Code set out in the Appendix C1 to the Listing Rules after the [**REDACTED**].

Board Diversity

We have adopted a board diversity policy which sets out the approach to achieve diversity at Board level. In selecting candidates for directorship, broad diversity may be considered in a number of factors, including but not limited to gender, age, cultural and educational background and professional experience. The ultimate decision of appointment will be based on the merits of the candidates and the contribution they will make to our Board.

As of the Latest Practicable Date, our Board consisted of seven Directors, including four female and three male Directors, with three executive Directors, one non-executive director and three independent non-executive Directors, of ages ranging from 36 years old to 55 years old. Our Directors possess a diverse range of expertise and experience. Please see — "Directors" and "Senior Management" section above. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our board diversity policy.

Our nomination committee is responsible for reviewing the structure, size and composition of Our Board and making recommendations to our Board on the appointment of Directors. Our Company will continue to review our board diversity policy to ensure its effectiveness.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management members receive their remuneration from our Company in the form of fees, salaries, allowances, discretionary bonuses, benefits in kind, retirement scheme contributions and share-based payment expenses.

The aggregate amount of remuneration paid to our Directors, then supervisors and senior management for each of the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026 was approximately RMB5.9 million, RMB6.6 million, RMB9.6 million and RMB3.5 million, respectively.

The aggregate amount of remuneration paid to the five highest paid individuals for each of the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 was approximately RMB5.6 million, RMB6.3 million, RMB6.9 million and RMB2.2 million, respectively.

Save as disclosed above, no other amounts have been paid or are payable by our Company or any of our subsidiaries to our Directors during the Track Record Period. None of our Directors waived any emoluments during the same period.

During the Track Record Period, no remuneration was paid by our Company or any of our subsidiaries to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office as a director of our Company or any of our subsidiaries or of any other office in connection with the management of the affairs of our Company or any of our subsidiaries.

See "Appendix VII — Statutory and General Information — 4. Our Share Incentive Scheme" in this Document for details regarding the share incentive plan for our Directors and senior management.

COMPLIANCE ADVISOR

We have appointed Guoyuan Capital (Hong Kong) Limited as our Compliance Advisor pursuant to Rules 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rules 3A.23 of the Listing Rules, the 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 and share repurchases;

(c) where our Company proposes to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this Document or where the business activities, development or results of our Company deviate from any forecast, estimate or other information in this Document; and

(d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or [**REDACTED**] volume of its [**REDACTED**] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Advisor shall commence on the [**REDACTED**] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

Other Information

Our Company, Dr. Huang and Mr. Mu Junbai have previously been subject to administrative regulatory measures issued by CSRC Shanghai branch and Shenzhen Stock Exchange, concerning the matters in respect of our Company (the "**Measures**").

According to the announcement published by our Company on April 30, 2024 (the "**Announcement**"), the Measures were imposed on our Company, Dr. Huang and Mr. Mu Junbai due to inaccurate information disclosure. Specifically, the profit figures disclosed in our Company's 2023 performance forecast published on January 30, 2024 deviated from those subsequently disclosed in our Company's 2023 annual report published on April 20, 2024. As determined by the CSRC Shanghai branch, our Company's disclosure in its 2023 performance forecast fell within the scope of Article 3, paragraph 1 of the Administrative Measures for the Information Disclosure of Listed Companies (《上市公司信息披露管理辦法》) ("**Information Disclosure Measures**").

According to the CSRC Shanghai branch, Dr. Huang, as the chairman of our Company, and Mr. Mu Junbai, as the then chief financial officer and the then secretary to the Board, were identified as the persons primarily responsible for the above matters pursuant to Article 4 of the Information Disclosure Measures. In accordance with Articles 51 and 52(3) of the Information Disclosure Measures, the CSRC Shanghai branch issued warning letters to Dr. Huang and Mr. Mu Junbai.

As confirmed by Dr. Huang and Mr. Mu Junbai, the deviation of the 2023 performance forecast from the 2023 annual report figures was due to their different approach on interpretation of the Information Disclosure Measures in relation to disclosure requirements concerning performance forecast, and it was not due to any intentional negligence or did not involve any integrity issue of the management.

Based on the advice of the PRC Legal Advisor, our Directors consider that the CSRC Measures do not constitute material non-compliance during the Track Record Period; and do not raise concerns as to the integrity or competence of the relevant Director or senior management under Rules 3.08 and 3.09 of the Listing Rules, mainly for the following reasons: (i) as advised by our PRC Legal Advisor, the Measures were of self-disciplinary and administrative supervisory nature and did not constitute material violation of relevant PRC laws; (ii) our PRC Legal Advisor further confirmed that the Measures do not affect the qualifications of Dr. Huang and Mr. Mu Junbai to act as a director or senior management member of any PRC company under the PRC Company Law; and (iii) Dr. Huang and Mr. Mu Junbai did not cease to hold their respective positions in our Company due to the Measures.

As further confirmed by our PRC Legal Advisor, being subjected to such administrative regulatory measures does not constitute an administrative penalty under PRC laws and regulations, including the Administrative Penalty Law (《中華人民共和國行政處罰法》) and the Securities Law (《中華人民共和國證券法》), hence does not constitute material violation of relevant PRC laws and regulations in this regard.

Rectification measures conducted by our Company in regard to the Measures

(i) Self-inspection on understanding of the applicable rules

- Promptly studied and conducted self-inspections on applicable laws and regulations after receiving the Measures issued by the CSRC Shanghai Branch and the Shenzhen Stock Exchange in April 2024.

(ii) External and internal trainings

(a) External trainings

- Continuously arranged our Directors, senior management and personnel involved in information disclosure and financial reporting to participate in compliance trainings organised by regulatory authorities, stock exchanges and listed company associations.

- These programmes enable the relevant personnel to stay abreast of the latest listing rules, information disclosure requirements, corporate governance standards, and regulatory developments.

- Arranged our Directors and senior management to participate in various specialized compliance and corporate governance trainings organized by the China Association for Public Companies (中國上市公司協會), the Shanghai Association of Listed Companies (上海上市公司協會), and the Shenzhen Stock Exchange.

- These trainings covered key areas including listing compliance, interpretation of relevant policies and regulations, strict law enforcement requirements, prevention of securities-related criminal risks, the Code of Corporate Governance for Listed Companies, directors' and senior executives' duties, as well as annual report disclosure requirements.

- Arranged trainings for relevant personnel in the securities investment department and finance department on the new PRC Company Law (中華人民共和國公司法) to ensure they stay abreast of the latest regulatory requirements.

(b) Internal trainings

- Arranged trainings for relevant personnel involved in financial reporting and information disclosure, with a particular focus on listing rules, information disclosure requirements, performance forecasts and their revisions, internal reporting and review procedures, the duties and responsibilities of Directors and senior management, and case studies of information disclosure non-compliance.

- Maintained comprehensive training records, examination records and training certificates.

Effectiveness of rectification measures and no recurrence of similar non-compliance incidents

Since receiving the Measures issued by the CSRC Shanghai Branch and the Shenzhen Stock Exchange in April 2024, our Company has not been subject to any further similar warning letters or other regulatory actions. Our Company considers that the rectification measures implemented have significantly improved the knowledge and execution capabilities of Directors, senior management, finance personnel and other relevant staff in relation to the listing rules, information disclosure obligations, and internal review procedures, thereby lowering the risk of recurrence of similar non-compliance events.

Based on the due diligence work conducted by the Joint Sponsors, nothing had come to their attention that caused them to doubt that the Measures constituted material non-compliance of the relevant rules applicable to our Company or that had raised concerns as to the integrity or competence of the relevant Director or senior management under Rules 3.08 and 3.09 of the Listing Rules.

Except as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders.

SUBSTANTIAL SHAREHOLDER

As of the Latest Practicable Date, our share capital was RMB782,221,234 comprising 782,221,234 A Shares.

So far as our Directors are aware, immediately following completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised, the options granted under the 2025 Share Incentive Scheme are not exercised and no other changes are made to the issued share capital of our Company from the Latest Practicable Date to the [**REDACTED**], the following person will have interests in the Shares or underlying Shares, which would be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions in 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 the Shareholders' general meetings of our Company:

INTERESTS IN THE SHARES OF OUR COMPANY

				Shareholding as of the Latest Practicable Date		Shareholding upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
Name of Shareholder	Nature of interest	Description of Shares	Number of Shares[1]	in A Shares	in total issued share capital[2]	in A Shares	in total issued share capital[3]
Dr. Huang[4]	Beneficial Owner	A Shares	170,875,862	21.84%	21.84%	21.84%	[REDACTED]%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 782,221,234 A Shares in issue as of the Latest Practicable Date.

(3) The calculation is based on the total number of 782,221,234 A Shares and [**REDACTED**] H Shares in [**REDACTED**] immediately after completion of the [**REDACTED**], assuming that the [**REDACTED**] is not exercised.

(4) As of the Latest Practicable Date, Dr. Huang had pledged 38,000,000 A Shares (representing approximately 4.86% of our Company's total issued share capital) to Huatai Securities Co., Ltd. and 25,650,000 A Shares (representing approximately 3.28% of our Company's total issued share capital) to China Galaxy Securities Co., Ltd. for his personal financing purposes.

For those who are directly and/or indirectly interested in 10% or more of the issued voting shares of any other members of our Group, see "Appendix VII — 3. Further Information about our Directors and Substantial Shareholders — Interests of the Substantial Shareholders in other Members of our Group" to this Document.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the [**REDACTED**] and assuming the [**REDACTED**] is not exercised, the options granted under the 2025 Share Incentive Scheme are not exercised and no other changes are made to the issued share capital of our Company from the Latest Practicable Date to the [**REDACTED**], have an interest in our Shares or underlying Shares of our Company which would be required 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, directly or indirectly, be interested in 10% or more of the issued voting shares of any other member of our Group.

SHARE CAPITAL

The following is a description of the authorized share capital of our Company before and immediately following completion of the [**REDACTED**].

Before the [REDACTED]

As of the Latest Practicable Date, the total issued share capital of our Company was RMB782,221,234, comprising 782,221,234 A Shares with a nominal value of RMB1.00 each, all of which are listed on the Shenzhen Stock Exchange.

Description of Shares	Number of Shares	Approximate percentage of the issued share capital
A Shares in issue	782,221,234[(1)]	100.0%

Note:

(1) As disclosed in the announcement of our Company dated July 31, 2026, published on the Shenzhen Stock Exchange, our Company intends to repurchase A Shares pursuant to repurchase mandates approved by the general meeting and held in our Company's stock repurchase account, which will be cancelled for the reduction of the registered capital. The total amount of repurchase funds shall not be less than RMB50 million (inclusive) and shall not exceed RMB100 million (inclusive). As of the Latest Practicable Date, the share repurchase by our Company pursuant to the repurchase mandates approved by the general meeting had not yet commenced.

Upon Completion of the [REDACTED]

Immediately following the completion of the [**REDACTED**], assuming that the [**REDACTED**] is not exercised, the options granted under the 2025 Share Incentive Scheme are 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 the enlarged issued share capital
A Shares in issue	782,221,234	[**REDACTED**]%
H Shares to be [**REDACTED**] pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.0%**

Immediately following the completion of the [**REDACTED**], assuming that the [**REDACTED**] is fully exercised, the options granted under the 2025 Share Incentive Scheme are 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 the enlarged issued share capital
A Shares in issue	782,221,234	[**REDACTED**]%
H Shares [**REDACTED**] pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.0%**

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. 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.

OUR SHARES

Our H Shares [**REDACTED**] following the completion of the [**REDACTED**], and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. Our H Shares can be [**REDACTED**] by Hong Kong and other overseas investors and qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be [**REDACTED**] by mainland Chinese investors in accordance with the rules and limits of Shanghai- Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

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 market price 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 [**REDACTED**] 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 the [**REDACTED**] and [**REDACTED**] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

Approval from holders of A Shares is required for our Company 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' general meeting of our Company held on December 19, 2025 and is subject to the following major conditions:

(i) *Size of the* [**REDACTED**]. The proposed number of H Shares to be [**REDACTED**] shall not exceed [**REDACTED**]% of the total issued share capital enlarged by the H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] (before the exercise of the [**REDACTED**]). The number of H Shares to be [**REDACTED**] pursuant to the full exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the total number of H Shares to be [**REDACTED**] initially under the [**REDACTED**].

(ii) *Methods of* [**REDACTED**]. The method of [**REDACTED**] shall be by way of an [**REDACTED**] to [**REDACTED**] and a [**REDACTED**] for [**REDACTED**] in Hong Kong.

(iii) *Target* [**REDACTED**]. The H Shares shall be [**REDACTED**] to overseas [**REDACTED**], corporations and individual [**REDACTED**], as well as qualified domestic [**REDACTED**] and other [**REDACTED**] who fulfill the relevant laws and regulations.

(iv) [**REDACTED**] *basis*. The [**REDACTED**] of the H Shares will be determined by the Board and its authorized person with the authorization of the Shareholders' general meetings, together with the [**REDACTED**], after full consideration of the interests of existing Shareholders and the conditions of domestic and international [**REDACTED**] with reference to the international practices and through demands for orders and [**REDACTED**] process using a market-oriented [**REDACTED**].

(v) *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 December 19, 2025.

There are no other approved [**REDACTED**] plans for our Shares except the [**REDACTED**].

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstance under which our Shareholders' general meeting is required, see "Appendix V — Summary of the Articles of Association — Shareholders and General Meetings" to this Document.

SHARES SCHEME

As of the Latest Practicable Date, our Company had one effective share incentive scheme. For details, see "Statutory and General Information — 4. Our Share Incentive Scheme" in Appendix VII to this Document.

You should read the following discussion and analysis in conjunction with our audited consolidated financial statements included in the Accountants' Report set out in Appendix I to this document, together with the accompanying notes. Our financial information has been prepared in accordance with IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed "Risk Factors" and "Business."

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a major technology enterprise that is driven by the dual engines of (i) Power Equipment and Energy Storage and (ii) Robots in the PRC, according to Frost & Sullivan. We are committed to integrating advanced technologies to drive the digital upgrades of energy system under the new electricity system in the PRC, accelerating digital transition in industrial manufacturing, and establishing smart microgrids in the fields of energy and industrial sectors. We recorded revenue of RMB3,024.5 million, RMB2,686.8 million, and RMB3,015.1 million in 2023, 2024 and 2025 and RMB1,323.1 million and RMB1,523.8 million for the six months ended June 30, 2025 and 2026, respectively. Our gross profit was RMB628.5 million, RMB639.6 million, and RMB665.7 million, in 2023, 2024 and 2025 and RMB317.4 million and RMB378.9 million for the six months ended June 30, 2025 and 2026, respectively, with a gross profit margin of 20.8%, 23.8%, 22.1%, 24.0% and 24.9%, respectively.

BASIS OF PREPARATION

Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board. All standards, amendments, interpretations and annual improvements which are effective for the accounting period commencing from January 1, 2026 have been applied by the Group in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value through profit or loss.

The preparation of our consolidated financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to our consolidated financial information are disclosed in Note 4 of the Accountants' Report set out in the 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 factors, many of which are beyond our control, including the following: (i) development of macroeconomic conditions; (ii) evolving energy consumption patterns and habits in the PRC and globally; and (iii) weather, natural disasters and climate change.

Specific Factors

The Development and Competition of the Industries Where We Operate

Our business focuses on the R&D, production and sales of products and solutions under our two business segments. Accordingly, our business is affected by changes in the demands and performance of those markets, and the evolving competitive landscape of, and government policies and regulations in relation to, the two industries.

According to Frost & Sullivan, from 2021 to 2025, the market size of power equipment and energy storage industry in the PRC expanded from RMB313.3 billion to RMB446.9 billion, representing a CAGR of 9.3%. The market size of power equipment and energy storage industry in the PRC is projected to reach RMB727.6 billion by 2030, corresponding to a CAGR of 10.2% from 2025 to 2030. Benefited from the growing demand in the Power Equipment and Energy Storage market and favorable industry tailwinds, our revenue from Power Equipment and Energy Storage business had increased during the Track Record Period from RMB2,000.7 million in 2023 to RMB2,101.2 million in 2024, and had further increased to RMB2,314.3 million in 2025. For the six months ended June 30, 2025 and 2026, our revenue from the Power Equipment and Energy Storage business amounted to RMB979.4 million and RMB1,150.9 million, respectively, representing a year-on-year increase of 17.5%.

According to Frost & Sullivan, from 2021 to 2025, the market size of industrial robot in the PRC expanded steadily, increasing from RMB56.8 billion in 2021 to RMB96.5 billion in 2025. This represents a CAGR of 14.2% over the period. Looking ahead, the market size of industrial robot in the PRC is projected to grow to RMB196.7 billion by 2030, corresponding to a forecast CAGR of 15.3%. See "Industry Overview" for details. In the meanwhile, we face competition with international and domestic players with diverse capabilities, some of which may have longer operating history, greater business scale and resources, higher market recognition and more effective pricing strategies than we do. Our financial results could be adversely affected if we are unable to maintain appropriate pricing levels due to increased competition, market saturation, or customer price sensitivity. Conversely, our ability to implement premium pricing for technologically advanced robotic solutions may enhance our profitability. The effectiveness of our pricing strategy will remain a critical determinant of our future financial performance.

Our Continual Investment in R&D and Talent

The growth of our revenue depends on our ability to make technological advancements and to develop products and solutions that meet the evolving needs of our customers. We value R&D and innovation in technology and production processes, enabling us to continuously introduce new products and iterate existing ones, and to reliably offer customers high-quality products and solutions, forming a core component of our competitive advantages. We consistently upgrade and iterate our products by incorporating innovative designs and utilizing new raw materials to enhance both performance and cost-efficiency, ensuring that our customers receive high-quality and competitively priced products. Our cumulative total research and development expenses during the Track Record Period amounted to RMB740.3 million. We have made, and will continue to make, investments in people, technology and R&D, to reinforce the leadership in our technology, thereby solidifying our market leadership.

Ability to Secure Contracts from Our Key Customers

The growth in our revenue and market share depends largely on our ability to secure long-term customers, especially key customers such as state-owned power grid companies in the Power Equipment and Energy Storage segment and automotive manufacturers in the Robots segment. Our revenue generated from our five largest customers for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 was RMB1,238.1 million, RMB1,191.9 million, RMB1,471.6 million and RMB711.0 million, respectively, representing 40.9%, 44.4%, 48.8% and 46.7% of our revenue in the respective years or periods. We primarily acquire these customers through tender and bidding. To a lesser extent, we also acquire customers via responding to invitation of quote or solicitation. A fluctuation of bidding contracts from these customers may have significant impact to our results of operations. We have also established a customer network across key industries including new energy, automotive, engineering machinery, and rail transit, for our Robots segment.

Products and Solutions Portfolio

During the Track Record Period, we have been dedicated to satisfying evolving market needs, sustaining product competitiveness and ensuring solid profitability through technological and product innovation as well as the optimization of our products and solutions. We have a diverse range of products and solutions in our business portfolio, where our Power Equipment and Energy Storage segment is comprising power distribution and consumption products and solutions and energy storage systems, and our Robots segment is providing industrial robots solutions, including industrial manipulators, stackers and inspection robots. The breadth and depth of our products and solutions portfolio enable us to offer our customers a variety of options to meet their various needs. Their upgrades and iterations also affect our results of operations. For instance, our power distribution and consumption products and solutions have consistently gained market recognition and considerable market share through enhanced and diversified integration capabilities, significantly contributing to the growth of our Power Equipment and Energy Storage business. During the Track Record Period, we had consistently broadened our products and solutions portfolio to form a comprehensive products and solutions matrix. Our profitability has been and will continue to be affected by the number of orders, as well as profitability and sales amount per order. For example, our energy storage systems business sector has a lower gross profit margin. In particular, our businesses performance for a specific year is subject to the contribution of products and solutions at different profitability levels in each single order delivered and other specific circumstances for that year. The improvement and diversification of our order has resulted in more balanced growth of our business and revenue, and reduced the risk of our dependence on any individual product and solution type.

Our Ability to Reinforce Product Competitiveness through Effective Supply Chain Management and Continuous Productivity Enhancement

Our long-term and stable profitability relies on our ability to drive product competitiveness through effective supply chain management and continuous productivity enhancement. Effective management of supply chain contributes to our success. In 2023, 2024 and 2025, we incurred cost of sales of RMB2,396.1 million, RMB2,047.2 million, and RMB2,349.4 million, respectively, representing 79.2%, 76.2%, and 77.9% of our revenue in the same periods. For the six months ended June 30, 2025 and 2026, our cost of sales amounted to RMB1,005.7 million and RMB1,144.9 million, respectively, representing 76.0% and 75.1% of our revenue for the respective periods. The majority of our cost of revenue is raw materials and consumables used, which include metallic materials, electronic components and insulating materials. Our cost of revenue is subject to fluctuations in the prices of raw materials and consumables used and the stability of the supply chain. To mitigate the impact of price fluctuation of raw materials and consumables used, we have employed a comprehensive risk management strategy, including considering raw material price fluctuations when entering into contracts with our customers or suppliers. Meanwhile, we persistently conduct R&D on new materials and develop new suppliers to maintain the flexibility to switch to alternative materials or suppliers in the event of severe shortages or price volatility of certain raw materials. To maintain the stability of our supply chain, we have established stable cooperation with various suppliers, ensuring that we can respond quickly to market demand and complete timely delivery of various large orders.

Efficient and stable production is crucial to our product quality and profitability. As of June 30, 2026, we had a total of four production bases nationally. We coordinate and manage our production bases in a manner that providing the flexibility to swiftly respond to and meet the diverse needs of customers in different regions. While ensuring efficient production, quality control is equally important for maintaining the safety and reliability of our products, as well as fostering customer loyalty to our brand. As we continue to expand our production capacity, we will maintain our strict quality control to deliver high-quality products to our customers and solidify our key position.

As we further expand our production, we will continue to implement various cost control measures and maintain supply chain stability. We will also actively leverage synergies between different products to achieve centralized purchasing and further unleash economies of scale, thereby sustaining high revenue growth.

Impact of the Historical Disposals during the Track Record Period

Facing the developmental opportunities presented by China's ongoing energy transition plans and the construction of the new power system, we have actively adjusted our development strategy, further focusing on business areas where we hold competitive advantages. We disposed of certain equity interests in several entities that were non-core or underperforming under our existing business segments, including Hongda Electric, Hefei Soongo, CSG Automate, and Huaxiao Precision in 2023 and 2024.

As a result of the Historical Disposals, our financial statements in 2023 and 2024 have also been impacted. For example, our employee benefit expenses decreased from RMB496.0 million in 2023 to RMB399.3 million in 2024, primarily due to the decrease of our total headcounts from 2,040 as of December 31, 2023 to 1,572 as of December 31, 2024, as a result of the Historical Disposals. For the purposes of illustrating the impact of Historical Disposals, we have also prepared discussions and analyses on certain major line items of our financial statements. See "— Results of Operations — Comparisons Between 2024 and 2023" and "— Discussion of Certain Components of Consolidated Statements of Financial Position" for details.

The following summarized the details of each transaction as part of the Historical Disposals:

Hongda Electric

Hongda Electric's core product was the traditional circuit breaker under our Power Equipment and Energy Storage segment. To optimize our resource allocation and actively foster Hongda Electric's capability for independent development, we completed a disposal of 5.0% equity interests in Hongda Electric to Mr. Shu Mingliang, for a total cash consideration of RMB17.5 million on May 16, 2023. Upon completion of the disposal, our Company held 46.0% of the equity interests therein. The impact of investment losses arising from the disposal amounted to RMB7.7 million.

Hefei Soongo

Hefei Soongo's core product was charging piles under our Power Equipment and Energy Storage segment. Given its financing needs for expansion, we completed a disposal of an aggregate of 50.0% equity interests in Hefei Soongo to Henan Songguo, for a total cash consideration of RMB50.0 million on January 10, 2024. Upon completion of the disposal, our Company held 20.0% of the equity interests therein. The impact of investment gains arising from the disposal amounted to RMB10.3 million.

CSG Automate

The business and products of CSG Automate were automated production lines under our Robots segment. However, CSG Automate sustained significant net losses over the years due to adverse industry trends. Consequently, we completed a disposal of the entire 100.0% equity interests in CSG Automate to Shanghai Linghang and Shanghai Weiyu, for a total cash consideration of RMB3.0 million on January 8, 2024. Upon completion of the disposal, CSG Automate ceased to be a member of our Group. The impact of investment gains arising from the disposal amounted to RMB6.9 million.

Huaxiao Precision

Huaxiao Precision's business was providing automated guided vehicle robots and related solutions under our Robots segment, primarily serving downstream customers such as automotive manufacturers. Due to the slow recovery of the traditional automotive industry, Huaxiao Precision's operating performance was suboptimal. As Huaxiao Precision had become insolvent, we completed the disposal of 55.0% equity interests in, together with the assignment of debts owed to our Company by, Huaxiao Precision to Mr. Lu Bing and Jianlong Zaitian, for a total cash consideration of RMB23.0 million with reference to the valuation of the equity interests and debts owed to us thereunder on January 17, 2024. Upon completion of the disposal, Huaxiao Precision ceased to be a member of our Group. The impact of investment losses arising from the disposal amounted to RMB7.9 million.

See "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers" and Note 47 of the Accountants' Report set out in Appendix I to this Document for details.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are material to the preparation of our financial statements. Accounting policies that are material for understanding our financial condition and results of operations are set forth in detail in Note 4 of the Accountants' Report in Appendix I of this Document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth our consolidated statements of comprehensive income with line items in absolute amounts and as percentages of our revenue for the years or periods indicated. This information should be read together with our consolidated financial statements and related notes included in the Accountants' Report in Appendix I to this Document. The results of operations in any period are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
REVENUE	**3,024,538**	**100.0**	**2,686,815**	**100.0**	**3,015,114**	**100.0**	**1,323,063**	**100.0**	**1,523,806**	**100.0**
Cost of sales	(2,396,076)	(79.2)	(2,047,195)	(76.2)	(2,349,447)	(77.9)	(1,005,703)	(76.0)	(1,144,903)	(75.1)
GROSS PROFIT	**628,462**	**20.8**	**639,620**	**23.8**	**665,667**	**22.1**	**317,360**	**24.0**	**378,903**	**24.9**
Other income	80,102	2.7	88,648	3.3	73,646	2.4	44,511	3.3	52,840	3.4
Other gains and losses, net	(1,815)	(0.1)	7,779	0.3	6,930	0.2	2,851	0.2	18,368	1.2
(Provision)/reversal of impairment losses on financial assets	(7,030)	(0.2)	(16,577)	(0.6)	(4,977)	(0.2)	9,683	0.7	11,236	0.7
Impairment losses on non-current assets	(4,516)	(0.1)	–	–	–	–	–	–	–	–
Research and development expenses	(259,732)	(8.6)	(194,073)	(7.2)	(183,709)	(6.1)	(84,028)	(6.4)	(102,778)	(6.7)
Administrative expenses	(258,877)	(8.6)	(206,229)	(7.7)	(211,521)	(7.0)	(94,027)	(7.1)	(108,651)	(7.1)
Selling expenses	(289,979)	(9.6)	(233,938)	(8.7)	(252,256)	(8.4)	(110,458)	(8.3)	(118,180)	(7.8)
Share of results of associates, net	(2,601)	(0.1)	5,164	0.2	1,066	0.0	2,079	0.2	(6,656)	(0.4)
Finance costs	(24,435)	(0.8)	(15,018)	(0.6)	(6,270)	(0.2)	(3,244)	(0.2)	(3,214)	(0.2)
(LOSS)/PROFIT BEFORE INCOME TAX	**(140,421)**	**(4.6)**	**75,376**	**2.8**	**88,576**	**2.9**	**84,727**	**6.4**	**121,868**	**8.0**
Income tax expenses	(30,296)	(1.0)	(13,808)	(0.5)	(2,911)	(0.1)	(5,441)	(0.4)	(10,629)	(0.7)
(LOSS)/PROFIT FOR THE YEARS OR PERIODS	**(170,717)**	**(5.6)**	**61,568**	**2.3**	**85,665**	**2.8**	**79,286**	**6.0**	**111,239**	**7.3**

NON-IFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net (loss)/profit (non-IFRS measure) and adjusted net (loss)/profit margin for the years or periods (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items.

We believe that such non-IFRS measures provide useful information to [**REDACTED**] and others in understanding and evaluating our consolidated statements of comprehensive income in the same manner as they help our management. However, such non-IFRS financial measures we present may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute of, our consolidated statements of comprehensive income or financial condition as reported under IFRS.

We define adjusted net (loss)/profit (non-IFRS measure) as (loss)/profit for the years or periods, adjusted by adding back share-based payment expenses and [**REDACTED**]. We define adjusted net (loss)/profit margin for the years or periods (non-IFRS measure) as adjusted net (loss)/profit for the years or periods, divided by revenue for the respective years or periods and multiplied by 100.0%.

The following table reconciles our adjusted net (loss)/profit for the years or periods (non-IFRS measure) and adjusted net (loss)/profit margin for the years or periods (non-IFRS measure) presented in accordance with IFRS, which is (loss)/profit for the years or periods:

	Year ended December 31,			Six months ended June 30,	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
(Loss)/profit for the years or periods	(170,717)	61,568	85,665	79,286	111,239
Add back:					
Share-based payment expenses[(1)]	7,080	1,125	24,065	–	19,173
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net (loss)/profit for the years or periods (non-IFRS measure)	(163,637)	62,693	110,701	79,286	130,550
Adjusted net (loss)/profit margin for the years or periods (non-IFRS measure)	(5.4%)	2.3%	3.7%	6.0%	8.6%

Note:

(1) Share-based payment expenses mainly represents the arrangement that we receive services from employees as consideration for our equity instruments and were non-cash in nature. See Note 38 to the Accountants' Report set out in Appendix I to this Document for details.

Revenue

During the Track Record Period, our revenue was derived from the sales of products and solutions under Power Equipment and Energy Storage and Robots segments. Substantially all of our products and solutions are customized. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our revenue was RMB3,024.5 million, RMB2,686.8 million, RMB3,015.1 million, RMB1,323.1 million and RMB1,523.8 million, respectively.

Revenue by Product Category

The following table sets forth a breakdown of our revenue by product category for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
Products/Solutions	**2023**		**2024**		**2025**		**2025**		**2026**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Power Equipment and Energy Storage										
– Power Distribution and Consumption Products and Solutions	1,551,684	51.2	1,973,516	73.4	2,164,658	71.8	943,359	71.3	1,132,569	74.3
– Energy Storage Systems	52,602	1.7	127,658	4.8	149,634	5.0	36,003	2.7	18,345	1.2
– Charging Pile[(1)]	396,390	13.1	–	–	–	–	–	–	–	–
Sub-total	**2,000,676**	**66.1**	**2,101,174**	**78.2**	**2,314,292**	**76.8**	**979,362**	**74.0**	**1,150,914**	**75.5**
Robots										
– Industrial Manipulators	485,527	16.1	332,761	12.4	422,013	14.0	200,341	15.2	245,226	16.1
– Stackers	207,978	6.9	176,452	6.6	175,662	5.8	82,169	6.2	94,570	6.2
– Inspection Robots	40,864	1.4	70,637	2.6	103,147	3.4	61,191	4.6	33,096	2.2
– AGV[(1)]	226,753	7.5	3,014	0.1	–	–	–	–	–	–
– Body-in-White Welding Line[(1)]	52,939	1.8	–	–	–	–	–	–	–	–
– Others	9,801	0.3	2,777	0.1	–	–	–	–	–	–
Sub-total	**1,023,862**	**33.9**	**585,641**	**21.8**	**700,822**	**23.2**	**343,701**	**26.0**	**372,892**	**24.5**
Total	**3,024,538**	**100.0**	**2,686,815**	**100.0**	**3,015,114**	**100.0**	**1,323,063**	**100.0**	**1,523,806**	**100.0**

Note:

(1) The equity interests of Hefei Soongo, which was primarily engaged in the charging pile business, Huaxiao Precision, which was primarily engaged in the production and sale of AGVs, and CSG Automate which was primarily engaged in the body-in-white welding line, were disposed of in January 2024.

- Our revenue generated from Power Equipment and Energy Storage segment was RMB2,000.7 million in 2023 and RMB2,101.2 million in 2024, with a year-on-year growth of 5.0%, primarily due to an increase of RMB421.8 million in revenue from the power distribution and consumption products and solutions business resulted from an increase in revenue per order from RMB1.1 million in 2023 to RMB1.6 million in 2024, driven by rising overall demand in the power sector and changes in the product mix, accompanied by a rising proportion of high-value products, partially offset by the disposal of our charging pile business, which contributed revenue of RMB396.4 million in 2023. Our revenue generated from Power Equipment and Energy Storage segment increased by 10.1% from RMB2,101.2 million to RMB2,314.3 million in 2024 and 2025, primarily due to an increase of RMB191.1 million in revenue from the power distribution and consumption products and solutions business, driven by rising overall demand in the power sector. Our revenue generated from the Power

Equipment and Energy Storage segment increased by 17.5% from RMB979.4 million for the six months ended June 30, 2025 to RMB1,150.9 million for the six months ended June 30, 2026, primarily due to the increase in downstream demand for power distribution and consumption products and solutions, which led to the growth in number of orders.

- Our revenue generated from Robots segment was RMB1,023.9 million in 2023 and RMB585.6 million in 2024, with a year-on-year decrease of 42.8%, primarily due to our Historical Disposals as the disposed businesses generated revenue of RMB279.7 million in 2023. Our revenue generated from Robots segment increased by 19.7% from RMB585.6 million to RMB700.8 million in 2024 and 2025, primarily due to an increase of RMB89.3 million in revenue from industrial manipulators, driven by an increase in number of orders. Our revenue generated from the Robots segment increased by 8.5% from RMB343.7 million for the six months ended June 30, 2025 to RMB372.9 million for the six months ended June 30, 2026, primarily due to the growth in revenue from industrial manipulators and stackers, driven by increases in number of orders.

The following table sets forth a breakdown of our revenue by number of orders and product category for the years or periods indicated:

	Year ended December 31,									Six months ended June 30,					
	2023			2024			2025			2025			2026		
Products/Solutions	Revenue	Number of orders	Revenue per order	Revenue	Number of orders	Revenue per order	Revenue	Number of orders	Revenue per order	Revenue	Number of orders	Revenue per order	Revenue	Number of orders	Revenue per order
	RMB'000		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
										(unaudited)					
Power Equipment and Energy Storage															
– Power Distribution and Consumption Products and Solutions	1,551,684	1,449	1,071	1,973,516	1,257	1,570	2,164,658	1,386	1,562	943,359	1,108	851	1,132,569	1,341	845
– Energy Storage Systems	52,602	57	923	127,658	74	1,725	149,634	98	1,527	36,003	45	800	18,345	25	734
– Charging pile[(1)]	396,390	54	7,341	–	–	–	–	–	–	–	–	–	–	–	–
Sub-total	**2,000,676**	**1,560**		**2,101,174**	**1,331**		**2,314,292**	**1,484**		**979,362**	**1,153**		**1,150,914**	**1,366**	
Robots															
– Industrial Manipulators	485,527	672	723	332,761	600	555	422,013	647	652	200,341	458	437	245,226	487	504
– Stackers	207,978	74	2,811	176,452	106	1,665	175,662	100	1,757	82,169	49	1,677	94,570	91	1,039
– Inspection Robots	40,864	22	1,857	70,637	31	2,279	103,147	46	2,242	61,191	27	2,266	33,096	20	1,655
– AGV[(1)]	226,753	213	1,065	3,014	3	1,005	–	–	–	–	–	–	–	–	–
– Body-in-White Welding Line[(1)]	52,939	23	2,302	–	–	–	–	–	–	–	–	–	–	–	–
– Others	9,801	21	467	2,777	9	309	–	–	–	–	–	–	–	–	–
Sub-total	**1,023,862**	**1,025**		**585,641**	**749**		**700,822**	**793**		**343,701**	**534**		**372,892**	**598**	
Total	3,024,538	2,585		2,686,815	2,080		3,015,114	2,277		1,323,063	1,687		1,523,806	1,964	

Note:

(1) The equity interests of Hefei Soongo, which was primarily engaged in the charging pile business, Huaxiao Precision, which was primarily engaged in the production and sale of AGVs, and CSG Automate, which was primarily engaged in the body-in-white welding line, were disposed of in January 2024.

For detailed analysis of changes in our revenue during the Track Record Period, see "— Results of Operations — Comparison Between the Six Months Ended June 30, 2026 and 2025," "— Results of Operations — Comparisons Between 2025 and 2024" and " — Results of Operations — Comparisons Between 2024 and 2023".

Revenue by Geographic Location

The following table sets forth our revenue by geographic location for the years indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Chinese Mainland	3,013,717	99.6	2,657,844	98.9	2,949,596	97.8	1,309,384	99.0	1,504,378	98.7
Other countries/regions[(1)]	10,821	0.4	28,971	1.1	65,518	2.2	13,679	1.0	19,428	1.3
Total	**3,024,538**	**100.0**	**2,686,815**	**100.0**	**3,015,114**	**100.0**	**1,323,063**	**100.0**	**1,523,806**	**100.0**

Note:

(1) Other countries/regions primarily include Germany and Hong Kong.

Revenue by Downstream Customer Industry

The following table sets forth our revenue by downstream customer industry for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
Industry	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Power and Transmission & Distribution	1,434,842	47.4	1,772,000	65.9	2,075,299	68.7	890,906	67.3	1,061,345	69.7
Automotive and Parts	864,178	28.6	234,231	8.7	309,637	10.3	183,977	13.9	185,006	12.1
Equipment Manufacturing	405,158	13.4	221,877	8.3	182,986	6.1	92,644	7.0	155,673	10.2
Energy and Chemical Industry	110,572	3.7	259,492	9.7	233,707	7.8	73,580	5.6	47,357	3.1
Rail Transit	66,683	2.2	45,021	1.7	70,097	2.3	33,436	2.5	13,465	0.9
Others	143,105	4.7	154,194	5.7	143,388	4.8	48,520	3.7	60,960	4.0
Total	**3,024,538**	**100.0**	**2,686,815**	**100.0**	**3,015,114**	**100.0**	**1,323,063**	**100.0**	**1,523,806**	**100.0**

Our downstream customers are primarily from the power and transmission & distribution, automotive and parts, and equipment manufacturing industries. During the Track Record Period, our revenue from the power and transmission & distribution industry continued to grow, mainly due to rising market demand in the power sector. Our revenue from the automotive and parts industry and the equipment manufacturing industry declined significantly from 2023 to 2024, primarily due to the Historical Disposals, as our disposed AGV and body-in-white welding line business mainly supplied products to these two industries.

Revenue by State-Owned Enterprises and Private Enterprises

The following table sets forth our revenue by state-owned enterprises and private enterprises with further breakdown by downstream customer industry for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
State-Owned Enterprises										
– Power and Transmission & Distribution	987,453	32.6	1,232,358	45.9	1,336,614	44.3	570,037	43.1	628,874	41.3
– Automotive and Parts	44,697	1.5	24,566	0.9	35,562	1.2	16,716	1.3	36,513	2.4
– Equipment Manufacturing	52,523	1.7	14,676	0.5	7,818	0.3	6,673	0.5	346	0.0
– Energy and Chemical Industry	61,184	2.0	85,654	3.2	90,131	3.0	39,486	3.0	41,120	2.7
– Rail Transit	55,932	1.8	44,293	1.6	53,005	1.8	19,484	1.5	13,436	0.9
– Others	46,979	1.6	37,488	1.4	17,317	0.6	11,976	0.9	31,646	2.1
Sub-total	**1,248,768**	**41.3**	**1,439,035**	**53.6**	**1,540,447**	**51.1**	**664,373**	**50.2**	**751,934**	**49.3**
Private Enterprises										
– Power and Transmission & Distribution	447,389	14.8	539,642	20.1	738,685	24.5	320,868	24.3	432,472	28.4
– Automotive and Parts	819,481	27.1	209,665	7.8	274,075	9.1	167,261	12.6	148,493	9.7
– Equipment Manufacturing	352,635	11.7	207,201	7.7	175,168	5.8	85,971	6.5	155,327	10.2
– Energy and Chemical Industry	49,388	1.6	173,838	6.5	143,576	4.8	34,094	2.6	6,237	0.4
– Rail Transit	10,751	0.4	728	0.0	17,092	0.6	13,952	1.1	29	0.0
– Others	96,126	3.2	116,706	4.3	126,071	4.2	36,544	2.8	29,314	1.9
Sub-total	**1,775,770**	**58.7**	**1,247,780**	**46.4**	**1,474,667**	**48.9**	**658,690**	**49.8**	**771,873**	**50.7**
Total	**3,024,538**	**100.0**	**2,686,815**	**100.0**	**3,015,114**	**100.0**	**1,323,063**	**100.0**	**1,523,806**	**100.0**

During the Track Record Period, our revenue from state-owned enterprise customers recorded consistent growths in line with our revenue increases, while revenue from private enterprise customers reduced from RMB1,775.8 million in 2023 to RMB1,247.8 million in 2024 and bounced back to RMB1,474.7 million in 2025. For the six months ended June 30, 2025 and 2026, our revenue from state-owned enterprise customers amounted to RMB664.4 million and RMB751.9 million, respectively, representing a year-on-year increase of 13.2%, while our revenue from private enterprise customers amounted to RMB658.7 million and RMB771.9 million, respectively, representing a year-on-year increase of 17.2%. Primarily due to the business expansion of downstream customers, as well as the addition of new subsidiaries in the power and transmission & distribution sector during the current period, revenue from state-owned enterprises in the power and power transmission and distribution segment increased by 10.3% year-on-year, while revenue from private enterprises increased by 34.8% year-on-year. The decline in revenue from private enterprise customers from 2023 to 2024 was primarily due to the Historical Disposals, as our disposed AGV and body-in-white welding line business mainly supplied products to private enterprises in automotive and parts industry and the equipment manufacturing industry.

Cost of Sales

Our cost of sales primarily consists of (i) materials cost; (ii) service and warranty fees; and (iii) employee benefit expenses. During the Track Record Period, the proportion and fluctuation trends of our cost of sales were generally in line with changes in our revenue. The following table sets forth our cost of sales by nature for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Materials cost	1,981,210	82.7	1,743,120	85.1	2,061,228	87.7	862,422	85.8	986,946	86.2
Service and warranty fees	215,856	9.0	166,174	8.1	168,744	7.2	83,760	8.3	76,390	6.7
Employee benefit expenses	86,762	3.6	75,862	3.7	60,279	2.6	27,494	2.7	34,512	3.0
Depreciation and amortization	21,525	0.9	11,569	0.6	13,144	0.6	5,558	0.6	8,810	0.8
Inventory impairment loss	74,888	3.1	28,129	1.4	12,569	0.5	2,778	0.3	2,641	0.2
Others	15,835	0.7	22,341	1.1	33,483	1.4	23,691	2.3	35,604	3.1
Total	**2,396,076**	**100.0**	**2,047,195**	**100.0**	**2,349,447**	**100.0**	**1,005,703**	**100.0**	**1,144,903**	**100.0**

During the Track Record Period, the proportion and fluctuation trends of our cost of sales by business segment were generally in line with changes in our revenue by business segment. The following table sets forth our cost of sales by business segment for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
Products/Solutions	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Power Equipment and Energy Storage										
– Power Distribution and Consumption Products and Solutions	1,137,427	47.4	1,516,167	73.9	1,675,632	71.3	725,711	72.2	850,486	74.3
– Energy Storage Systems	87,519	3.7	114,038	5.6	133,748	5.7	26,558	2.6	15,172	1.3
– Charging Pile	351,291	14.7	–	–	–	–	–	–	–	–
Sub-total	**1,576,237**	**65.8**	**1,630,205**	**79.5**	**1,809,380**	**77.0**	**752,269**	**74.8**	**865,658**	**75.6**
Robots										
– Industrial Manipulators	379,776	15.8	243,880	11.9	317,529	13.5	141,232	14.0	177,170	15.5
– Stackers	160,252	6.7	127,967	6.3	145,049	6.2	65,163	6.5	79,580	7.0
– Inspection Robots	24,439	1.0	38,566	1.9	77,489	3.3	47,039	4.7	22,495	2.0
– AGV	186,995	7.8	5,175	0.3	–	–	–	–	–	–
– Body-in-White Welding Line	57,112	2.4	–	–	–	–	–	–	–	–
– Others	11,265	0.5	1,402	0.1	–	–	–	–	–	–
Sub-total	**819,839**	**34.2**	**416,990**	**20.5**	**540,067**	**23.0**	**253,434**	**25.2**	**279,245**	**24.4**
Total	**2,396,076**	**100.0**	**2,047,195**	**100.0**	**2,349,447**	**100.0**	**1,005,703**	**100.0**	**1,144,903**	**100.0**

Gross Profit and Gross Profit Margin

Gross Profit and Gross Profit Margin by Product Category

The following table sets forth a breakdown of our gross profit and gross profit margin by product category for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
Products/Solutions	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Power Equipment and Energy Storage										
– Power Distribution and Consumption Products and Solutions	414,257	26.7	457,349	23.2	489,026	22.6	217,648	23.1	282,083	24.9
– Energy Storage Systems	(34,917)	(66.4)	13,620	10.7	15,886	10.6	9,446	26.2	3,173	17.3
– Charging Pile	45,099	11.4	–	–	–	–	–	–	–	–
Sub-total	**424,439**	**21.2**	**470,969**	**22.4**	**504,912**	**21.8**	**227,093**	**23.2**	**285,256**	**24.8**
Robots										
– Industrial Manipulators	105,751	21.8	88,880	26.7	104,484	24.8	59,108	29.5	68,056	27.8
– Stackers	47,727	22.9	48,486	27.5	30,613	17.4	17,006	20.7	14,990	15.9
– Inspection Robots	16,425	40.2	32,071	45.4	25,658	24.9	14,152	23.1	10,601	32.0
– AGV	39,757	17.5	(2,162)	(71.7)	–	–	–	–	–	–
– Body-in-White Welding Line	(4,173)	(7.9)	–	–	–	–	–	–	–	–
– Others	(1,464)	(14.9)	1,376	49.5	–	–	–	–	–	–
Sub-total	**204,023**	**19.9**	**168,651**	**28.8**	**160,755**	**22.9**	**90,266**	**26.3**	**93,647**	**25.1**
Total	**628,462**	**20.8**	**639,620**	**23.8**	**665,667**	**22.1**	**317,359**	**24.0**	**378,903**	**24.9**

Our gross profit was RMB628.5 million, RMB639.6 million, and RMB665.7 million in 2023, 2024 and 2025 and RMB317.4 million and RMB378.9 million for the six months ended June 30, 2025 and 2026, respectively. Our gross profit margin was 20.8%, 23.8%, 22.1%, 24.0% and 24.9% for the respective years and periods.

In 2023, 2024 and 2025 and six months ended June 30, 2025 and 2026, we recorded gross profit of RMB424.4 million, RMB471.0 million, RMB504.9 million, RMB227.1 million and RMB285.3 million, respectively, for our Power Equipment and Energy Storage segment, with gross profit margin of 21.2%, 22.4%, 21.8%, 23.2% and 24.8% for the respective years and periods. The gross profit margin of power distribution and consumption products and solutions decreased from 26.7% in 2023 to 23.2% in 2024, and further decreased to 22.6% in 2025, primarily due to (i) impact of industry trends. According to Frost & Sullivan, the Chinese power sector has steadily advanced the centralized bidding and procurement model. Our major customers therefore have expanded their procurement scale and gained stronger bargaining power. The average winning bid price of power distribution equipment dropped from 2023 to 2025, dragging down the overall gross profit margin across the industry and accordingly, the gross profit margin of our Power Equipment and Energy Storage segment; and (ii) our strategic market expansion in certain regional markets in South China and North China to further strengthen our market presence and grow our business scale. As a result, we have proactively adopted competitive pricing strategies to expand our market share and consolidate our industry standing in light of prevailing industry dynamics.

In 2023, 2024 and 2025 and six months ended June 30, 2025 and 2026, we recorded gross profit of RMB204.0 million, RMB168.7 million, RMB160.8 million, and RMB90.3 million and RMB93.6 million, respectively, for our Robots segment, with gross profit margin of 19.9%, 28.8%, 22.9%, 26.3% and 25.1% for the respective years and periods.

The following table sets forth a breakdown of our gross profit and gross profit margin by downstream customer industry for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
Industry	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Power and Transmission & Distribution	340,347	23.7	429,553	24.2	475,619	22.9	213,701	24.0	269,006	25.3
Automotive and Parts	143,160	16.6	69,662	29.7	92,762	30.0	55,206	30.0	52,106	28.2
Equipment Manufacturing	84,641	20.9	53,123	23.9	38,103	20.8	22,973	24.8	28,866	18.5
Energy and Chemical Industry	20,784	18.8	60,656	23.4	25,147	10.8	13,107	17.8	10,204	21.5
Rail Transit	15,688	23.5	10,765	23.9	14,516	20.7	6,332	18.9	2,475	18.4
Others	23,842	16.7	15,861	10.3	19,520	13.6	6,041	12.5	16,246	26.7
Total	**628,462**	**20.8**	**639,620**	**23.8**	**665,667**	**22.1**	**317,360**	**24.0**	**378,903**	**24.9**

During the Track Record Period, our gross profit margin from the power and transmission & distribution industry remained relatively stable. The gross profit margin from the automotive and parts industry improved significantly from 2023 to 2024, mainly because we disposed of low-margin businesses as part of the Historical Disposals.

For details of the changes in our gross profit and gross profit margin during the Track Record Period, see "— Results of Operations."

Other Income

Our other income primarily includes (i) government grants, which mainly comprise software tax rebate and various forms of VAT deduction, (ii) amortization of deferred government grants, (iii) rental and service fee income and (iv) interest income. In 2023, 2024 and 2025 and six months ended June 30, 2025 and 2026, our other income amounted to RMB80.1 million, RMB88.6 million, RMB73.6 million, RMB44.5 million and RMB52.8 million, respectively. The following table sets forth a breakdown of our other income by nature for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Other income										
Government grants	47,594	59.3	40,340	45.5	45,595	61.9	23,184	52.1	14,644	27.7
Amortization of deferred government grants	9,174	11.5	9,381	10.6	9,491	12.9	6,828	15.3	24,495	46.4
Rental and service fee income	15,608	19.5	26,338	29.7	10,441	14.2	9,291	20.9	8,829	16.7
Interest income	5,809	7.3	7,497	8.5	2,958	4.0	1,875	4.2	989	1.9
Sales of spare parts	260	0.3	1,984	2.2	2,802	3.8	1,934	4.3	2,723	5.2
Others	1,657	2.1	3,108	3.5	2,359	3.2	1,399	3.2	1,160	2.1
Total	**80,102**	**100.0**	**88,648**	**100.0**	**73,646**	**100.0**	**44,511**	**100.0**	**52,840**	**100.0**

Other Gains and Losses, Net

Our other gains and losses, net primarily include (i) net gains on dilution of interests in Hefei Soongo, our associate, (ii) net (losses)/gains on disposals of subsidiaries in relation to the Historical Disposals and (iii) investment income from financial assets at FVTPL. In 2023, our other losses, net amounted to RMB1.8 million. In 2024 and 2025, our other gains, net amounted to RMB7.8 million and RMB6.9 million, respectively. For the six months ended June 30, 2025 and 2026, we recorded other gains, net of RMB2.9 million and RMB18.4 million, respectively. The following table sets forth a breakdown of our other gains and losses, net by nature for the years or periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net gains on dilution of interests in associates	–	–	–	–	14,495
Gains on disposal of financial assets at FVTPL	3,519	5,250	5,887	2,591	2,067
Fair value gains/(losses) on financial assets at FVTPL	496	(464)	858	502	173
Gain from debt forgiveness of accounts payable	1,720	1,986	498	–	–
Foreign exchange (losses)/gains	(221)	175	51	717	(215)
Net (losses)/gains on disposals of subsidiaries	(7,691)	9,329	–	–	2,817
Gains/(losses) on debt restructuring with third parties	431	(4,879)	(878)	(1,945)	(527)
(Losses)/gains on disposal of property, plant and equipment and other assets	(934)	(3,066)	(270)	–	3
Others	865	(552)	784	986	(445)
Total	**(1,815)**	**7,779**	**6,930**	**2,851**	**18,368**

Provision of Impairment Losses on Financial Assets

Our provision of impairment losses on financial assets mainly includes impairment losses recognized on trade and notes receivables, contract assets and other receivables. In 2023, 2024 and 2025, our provision of impairment losses on financial assets amounted to RMB7.0 million, RMB16.6 million and RMB5.0 million, respectively. For the six months ended June 30, 2025 and 2026, we recorded reversal of impairment losses on financial assets of RMB9.7 million and RMB11.2 million, respectively.

Impairment Losses on Non-Current Assets

In 2023, our impairment losses on non-current assets amounted to RMB4.5 million.

Research and Development Expenses

Our research and development expenses primarily include (i) employee benefit expenses in connection with our research and development personnel, (ii) depreciation and amortization, (iii) raw materials consumed, and (iv) travel expenses and testing fees. In 2023, 2024 and 2025, our research and development expenses amounted to RMB259.7 million, RMB194.1 million, and RMB183.7 million, respectively, accounting for 8.6%, 7.2%, and 6.1% of our revenue for the same years. For the six months ended June 30, 2025 and 2026, our research and development expenses amounted to RMB84.0 million and RMB102.8 million, respectively, accounting for 6.4% and 6.7% of our revenue for the respective periods. The following table sets forth a breakdown of our research and development expenses by nature for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Research and development expenses										
Employee benefit expenses	163,912	63.1	136,218	70.2	135,142	73.5	63,862	76.0	74,516	72.5
Depreciation and amortization	10,883	4.2	11,030	5.7	11,182	6.1	5,813	6.9	5,267	5.1
Raw materials consumed	36,669	14.1	18,653	9.6	14,958	8.1	4,659	5.5	10,501	10.2
Travel expenses	11,450	4.4	4,747	2.4	4,953	2.7	2,968	3.5	3,215	3.1
Testing fees	10,521	4.1	6,122	3.1	3,898	2.1	1,187	1.4	3,664	3.6
Processing fees	6,266	2.4	911	0.5	699	0.4	–	0.0	577	0.6
External service fees	4,864	1.9	4,480	2.3	2,523	1.4	1,348	1.6	61	0.1
Commissioned development fees	1,108	0.4	4,250	2.2	3,785	2.1	–	0.0	120	0.1
Others	14,059	5.4	7,662	4.0	6,569	3.6	4,191	5.1	4,857	4.7
Total	**259,732**	**100.0**	**194,073**	**100.0**	**183,709**	**100.0**	**84,028**	**100.0**	**102,778**	**100.0**

Administrative Expenses

Our administrative expenses primarily include (i) employee benefit expenses in connection with our administrative personnel, (ii) depreciation and amortization, (iii) taxes and surcharges, (iv) agency service fee in relation to services provided by various professional parties in our daily operations, including auditors' fees, legal fees, consultation fees on finance, taxation and ESG matters as well as other intermediary service expenses, (v) office expenses, and (vi) business entertainment expenses. In 2023, 2024 and 2025, our administrative expenses amounted to RMB258.9 million, RMB206.2 million, and RMB211.5 million, respectively, accounting for 8.6%, 7.7%, and 7.0% of our revenue for the same years. For the six months ended June 30, 2025 and 2026, our administrative expenses amounted to RMB94.0 million and RMB108.7 million, respectively, accounting for 7.1% and 7.1% of our revenue for the respective periods. The following table sets forth a breakdown of our general and administrative expenses by nature for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Administrative expenses										
Employee benefit expenses	136,751	52.8	100,978	49.0	113,220	53.5	47,781	50.8	64,086	59.0
Depreciation and amortization	31,023	12.0	22,040	10.7	19,645	9.3	12,432	13.2	10,701	9.8
Tax and surcharges	19,594	7.6	20,803	10.1	19,621	9.3	9,493	10.1	10,710	9.9
Agency service fee	23,160	8.9	17,779	8.6	12,123	5.7	6,175	6.6	6,191	5.7
Office expense	14,586	5.6	12,544	6.1	16,606	7.9	7,117	7.6	4,710	4.3

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Business entertainment expense	10,505	4.1	9,935	4.8	12,061	5.7	5,452	5.8	4,345	4.0
Travel expense	7,503	2.9	9,439	4.6	9,730	4.6	2,797	3.0	4,101	3.8
Vehicle usage expense	2,532	1.0	1,774	0.8	1,446	0.7	673	0.7	706	0.6
[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Bank service charge	3,650	1.4	2,257	1.1	919	0.4	404	0.4	819	0.8
Others	9,573	3.7	8,680	4.2	5,179	2.4	1,703	1.8	2,144	2.0
Total	**258,877**	**100.0**	**206,229**	**100.0**	**211,521**	**100.0**	**94,027**	**100.0**	**108,651**	**100.0**

Selling Expenses

Our selling expenses primarily include (i) employee benefit expenses in connection with our sales personnel, (ii) market development fees, (iii) travel expenses and (iv) business entertainment expenses. In 2023, 2024 and 2025, our selling expenses amounted to RMB290.0 million, RMB233.9 million, and RMB252.3 million, respectively, accounting for 9.6%, 8.7%, and 8.4% of our revenue for the same years. For the six months ended June 30, 2025 and 2026, our selling expenses amounted to RMB110.5 million and RMB118.2 million, respectively, accounting for 8.3% and 7.8% of our revenue for the respective periods. The following table sets forth a breakdown of our selling expenses by nature for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Selling expenses										
Employee benefit expenses	108,573	37.4	86,271	36.9	105,055	41.7	49,356	44.7	56,070	47.4
Market development fees	49,852	17.2	34,687	14.8	41,543	16.5	17,893	16.2	18,963	16.0
Travel expenses	32,437	11.2	31,190	13.3	30,502	12.1	10,495	9.5	10,987	9.3
Business entertainment expenses	34,455	11.9	33,747	14.4	31,462	12.5	13,136	11.9	12,493	10.6
After-sales service fee	30,630	10.6	17,233	7.4	18,657	7.4	7,542	6.8	9,268	7.8
Office expense	8,568	3.0	8,475	3.6	8,025	3.2	2,648	2.4	2,898	2.5
Depreciation and amortization expense	1,425	0.5	2,189	0.9	2,264	0.9	464	0.4	1,125	1.0
Others	24,039	8.2	20,146	8.7	14,748	5.7	8,924	8.1	6,376	5.4
Total	**289,979**	**100.0**	**233,938**	**100.0**	**252,256**	**100.0**	**110,458**	**100.0**	**118,180**	**100.0**

During the Track Record Period, the growth rate in selling expenses for each year or period was lower than that of revenue for the same year or period. Since our revenue growth was mainly driven by deepening cooperation with existing customers and expanding business scale, we believe our existing sales network was sufficient to support incremental orders, eliminating the need for substantial additional investment in market development and personnel. Meanwhile, our fixed expenses including office, staff salaries and rental costs were diluted by growing revenue, resulting in lower sales expenses per unit of revenue.

Share of Results of Associates, Net

In 2023, we recorded share of losses of associates, net of RMB2.6 million. In 2024 and 2025, we recorded share of profits of associates, net of RMB5.2 million and RMB1.1 million, respectively. For the six months ended June 30, 2025, we recorded share of profits of associates, net of RMB2.1 million, while for the six months ended June 30, 2026, we recorded share of losses of associates, net of RMB6.7 million. Our net share of results of associates during the Track Record Period represented the share of profits or losses from our long-term investments in associates. See Note 18 of the Accountants' Report in Appendix I to this Document.

Finance Costs

The following table sets forth a breakdown of our finance costs by nature for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Finance costs										
Interest expense on borrowings	12,175	49.8	9,242	61.5	1,715	27.3	1,294	39.9	508	15.8
Interest expense on redemption liability of non-controlling interests	2,800	11.5	2,800	18.6	2,800	44.7	1,400	43.2	1,400	43.6
Interest expense on lease liabilities	1,272	5.2	510	3.4	816	13.0	350	10.8	511	15.9
Interest expense on notes discounting	8,188	33.5	2,466	16.5	939	15.0	200	6.2	795	24.7
Total	**24,435**	**100.0**	**15,018**	**100.0**	**6,270**	**100.0**	**3,244**	**100.0**	**3,214**	**100.0**

Income Tax Expenses

Our income tax expenses comprise current income tax and deferred income tax. In 2023, 2024 and 2025 and six months ended June 30, 2025 and 2026, our income tax expenses amounted to RMB30.3 million, RMB13.8 million, RMB2.9 million, RMB5.4 million and RMB10.6 million, respectively. We are subject to varying tax rates in different jurisdictions. See Note 11 of the Accountants' Report in Appendix I to this Document. We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our members are domiciled and operate.

PRC Corporate Income Tax

During the Track Record Period, certain of our subsidiaries have obtained High and New Technology Enterprises certification and hence they are entitled to a preferential corporate income tax rate of 15% for a valid period of three years. Other subsidiaries established and operated in the PRC are subject to the PRC corporate income tax at the rate of 25% during the Track Record Period.

Corporate Income Tax in Other Jurisdictions

The income tax rates of our subsidiaries in other jurisdictions had been calculated on the estimated assessable profit for the Track Record Period at the respective rates prevailing in the relevant jurisdictions. See Note 11 of the Accountants' Report set out in Appendix I to this Document. During the Track Record Period and as of the Latest Practicable Date, we had no material outstanding or potential disputes with the relevant tax authorities.

RESULTS OF OPERATIONS

Comparison Between the Six Months Ended June 30, 2026 and the Six Months Ended June 30, 2025

Revenue

Our revenue increased by 15.2% from RMB1,323.1 million for the six months ended June 30, 2025 to RMB1,523.8 million for the six months ended June 30, 2026.

Our revenue from the Power Equipment and Energy Storage segment increased by 17.5% from RMB979.4 million for the six months ended June 30, 2025 to RMB1,150.9 million for the six months ended June 30, 2026, primarily due to the increase in downstream demand for power distribution and consumption products and solutions, which led to the growth in number of orders.

- The revenue from power distribution and consumption products and solutions increased from RMB943.4 million for the six months ended June 30, 2025 to RMB1,132.6 million for the six months ended June 30, 2026, primarily due to the increase in downstream demand leading to growth in sales volume. The number of orders increased from 1,108 to 1,341, while the revenue per order remained stable at RMB851 thousand and RMB845 thousand for the same periods, respectively.

- The revenue from energy storage systems decreased from RMB36.0 million for the six months ended June 30, 2025 to RMB18.4 million for the six months ended June 30, 2026. The number of orders decreased from 45 to 25, while the revenue per order decreased from RMB800 thousand to RMB734 thousand for the same periods, respectively. This was because we proactively scaled back C&I energy storage businesses as a result of our strategic realignment.

Our revenue from the Robots segment increased by 8.5% from RMB343.7 million for the six months ended June 30, 2025 to RMB372.9 million for the six months ended June 30, 2026, primarily due to the growth in revenue from industrial manipulators and stackers, driven by an increase of number of orders.

- The revenue from industrial manipulators increased by 22.4% from RMB200.3 million for the six months ended June 30, 2025 to RMB245.2 million for the six months ended June 30, 2026, primarily due to the increases in both number of orders and revenue per order. The number of orders increased from 458 to 487, while the revenue per order increased from RMB437 thousand to RMB504 thousand for the same periods, respectively, primarily due to increased customer demand from the lithium-ion battery industry.

- The revenue from stackers increased by 15.1% from RMB82.2 million for the six months ended June 30, 2025 to RMB94.6 million for the six months ended June 30, 2026, primarily due to increase of orders despite decrease in revenue per order as a result of intensified competition.

- The revenue from inspection robots decreased by 45.9% from RMB61.2 million for the six months ended June 30, 2025 to RMB33.1 million for the six months ended June 30, 2026. The number of orders decreased from 27 to 20, while the revenue per order decreased from RMB2.3 million to RMB1.7 million for the same periods, respectively. This was primarily attributable to the decrease in customer orders as a result of intensified competition.

Cost of Sales

Our cost of sales increased by 13.8% from RMB1,005.7 million for the six months ended June 30, 2025 to RMB1,144.9 million for the six months ended June 30, 2026, which was generally in line with the increase in our revenue during the same periods.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 19.4% from RMB317.4 million for the six months ended June 30, 2025 to RMB378.9 million for the six months ended June 30, 2026. Our gross profit margin increased from 24.0% to 24.9% during the same periods, respectively.

Our gross profit from the Power Equipment and Energy Storage segment increased by 25.6% from RMB227.1 million for the six months ended June 30, 2025 to RMB285.3 million for the six months ended June 30, 2026, which are in line with our revenue growth. Our gross profit margin increased from 23.2% to 24.8% for the same periods, respectively, primarily due to product mix as we recorded increased revenue from high gross margin products such as, primary-secondary circuit breakers in the first half of 2026.

Our gross profit from the Robots segment increased by 3.7% from RMB90.3 million for the six months ended June 30, 2025 to RMB93.6 million for the six months ended June 30, 2026. Our gross profit margin decreased from 26.3% to 25.1% for the same periods, respectively, primarily due to decreased gross margin of stackers.

Other Income

Our other income increased by 18.7% from RMB44.5 million for the six months ended June 30, 2025 to RMB52.8 million for the six months ended June 30, 2026, primarily due to the increase in amortisation of deferred government grants.

Other Gains and Losses, Net

We recorded other gains, net of RMB2.9 million for the six months ended June 30, 2025 and RMB18.4 million for the six months ended June 30, 2026. In the first half of 2026, we recorded net gains of RMB14.5 million on dilution of interests in Hefei Soongo, our associate.

Provision of Impairment Losses on Financial Assets

Our reversal of impairment losses on financial assets amounted to RMB9.7 million and RMB11.2 million for the six months ended June 30, 2025 and 2026, respectively, primarily due to improved collection and ageing profile of the relevant receivables.

Impairment Losses on Non-current Assets

We did not record any impairment losses on non-current assets for either of the six months ended June 30, 2025 or 2026.

Research and Development Expenses

Our research and development expenses increased by 22.3% from RMB84.0 million for the six months ended June 30, 2025 to RMB102.8 million for the six months ended June 30, 2026, primarily due to increases in employee benefit expenses and raw materials consumed.

Administrative Expenses

Our administrative expenses increased from RMB94.0 million for the six months ended June 30, 2025 to RMB108.7 million for the six months ended June 30, 2026, primarily due to increase in employee benefit expenses in relation to additional share-based payment.

Selling Expenses

Our selling expenses increased by 7.0% from RMB110.5 million for the six months ended June 30, 2025 to RMB118.2 million for the six months ended June 30, 2026, primarily due to increase in employee benefit expenses.

Share of Results of Associates, Net

We recorded share of profits of associates, net of RMB2.1 million for the six months ended June 30, 2025 and share of losses of associates, net of RMB6.7 million for the six months ended June 30, 2026, primarily due to losses incurred from our associates in 2026.

Finance Costs

Our finance costs remained relatively stable at RMB3.2 million for each of the six months ended June 30, 2025 and 2026.

Income Tax Expense

Our income tax expense increased by 95.4% from RMB5.4 million for the six months ended June 30, 2025 to RMB10.6 million for the six months ended June 30, 2026. Our income tax expense as a percentage of our profit before income tax increased from 6.4% to 8.7%, primarily due to less utilization of temporary differences and tax losses previously not recognised.

Profit for the Period

As a result of the foregoing, our net profit increased by 40.3% from RMB79.3 million for the six months ended June 30, 2025 to RMB111.2 million for the six months ended June 30, 2026.

Comparisons Between 2025 and 2024

Revenue

Our revenue increased by 12.2% from RMB2,686.8 million in 2024 to RMB3,015.1 million in 2025.

Our revenue from Power Equipment and Energy Storage segment increased by 10.1% from RMB2,101.2 million in 2024 to RMB2,314.3 million in 2025, primarily due to (i) the increased orders of our power distribution and consumption products and solutions driven by the increased market demand resulted from increased national investment in power grids, expanded new energy installed capacity, and the trend of AI infrastructure development; and (ii) the expansion of our energy storage systems business sector.

– The revenue from power distribution and consumption products and solutions increased from RMB1,973.5 million in 2024 to RMB2,164.6 million in 2025, primarily due to an increase in number of orders. The number of orders in power distribution and consumption products and solutions increased from 1,257 in 2024 to 1,386 in 2025, while the revenue per order remained stable at RMB1.6 million in 2024 and 2025, primarily due to an increase in market demands in power sector.

– The revenue from energy storage systems increased from RMB127.7 million in 2024 to RMB149.6 million in 2025, primarily due to an increase in number of orders, partially offset by a decrease in revenue per order. The number of orders in energy storage systems increased from 74 in 2024 to 98 in 2025, while the revenue per order decreased from RMB1.7 million in 2024 to RMB1.5 million in 2025, primarily because we implemented more small and medium-sized projects.

Our revenue from Robots segment increased by 19.7% from RMB585.6 million in 2024 to RMB700.8 million in 2025, mainly because an increase in revenue from industrial manipulators and inspection robots resulted from surge in market demands.

– The revenue from industrial manipulators increased from RMB332.8 million in 2024 to RMB422.0 million in 2025, primarily due to increases in both number of orders and revenue per order. The number of orders in industrial manipulators increased from 600 in 2024 to 647 in 2025, while the revenue per order increased from RMB555 thousand in 2024 to RMB652 thousand in 2025, primarily due to an increase in number of orders from our major customers.

– The revenue from stackers remained stable at RMB176.5 million in 2024 and RMB175.7 million in 2025.

– The revenue from inspection robots increased from RMB70.6 million in 2024 to RMB103.1 million in 2025, primarily due to an increase in number of orders. The number of orders in inspection robots increased from 31 in 2024 to 46 in 2025, while the revenue per order remained stable at RMB2.3 million in 2024 and RMB2.2 million in 2025, primarily due to an increasing demand from our customers.

Cost of Sales

Our cost of sales increased by 14.8% from RMB2,047.2 million in 2024 to RMB2,349.4 million in 2025, which was generally in line with our revenue increase for the same years.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 4.1% from RMB639.6 million in 2024 to RMB665.7 million in 2025. Our gross profit margin remained relatively stable at 23.8% in 2024 and 22.1% in 2025.

Our gross profit from Power Equipment and Energy Storage business segment increased by 7.2% from RMB471.0 million in 2024 to RMB504.9 million in 2025. Our gross profit margin remained relatively stable at 21.8% in 2025 as compared to 22.4% in 2024.

Our gross profit from Robots segment decreased by 4.7% from RMB168.7 million in 2024 to RMB160.8 million in 2025. Our gross profit margin decreased from 28.8% in 2024 to 22.9% in 2025, primarily due to a decrease in gross profit margin for both stackers and inspection robots, as intensified market competition had led to a decline in gross profit margin on orders.

Other Income

Our other income decreased by 16.9% from RMB88.6 million in 2024 to RMB73.6 million in 2025, primarily due to decrease in rental and service fee income.

Other Gains, Net

We recorded other gains, net of RMB7.8 million in 2024 and RMB6.9 million in 2025, mainly due to decreases in net gains on disposals of subsidiaries, which were resulting from the Historical Disposals.

Research and Development Expenses

Our research and development expenses decreased by 5.3% from RMB194.1 million in 2024 to RMB183.7 million in 2025, which was (i) in line with the progress of our R&D project cycles and (ii) primarily since we streamlined our R&D resources, resulting in reduced expenditures on R&D employee benefit expenses, raw materials consumed, testing fees, and external service fees during the current period. During the Track Record Period, our R&D activities mainly focused on iteration of existing products, scenario adaptation and process optimization, requiring no substantial investment in fundamental research work. In addition, our spending on R&D staff and raw materials consumables remained relatively stable, hence our R&D expenses have not risen in line with revenue growth from 2024 to 2025.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB206.2 million in 2024 and RMB211.5 million in 2025.

Selling Expenses

Our selling expenses increased by 7.8% from RMB233.9 million in 2024 to RMB252.3 million in 2025, primarily due to increases in employee benefit expenses for our sales personnel and market development fees.

Finance Costs

Our finance costs decreased by 58.3% from RMB15.0 million in 2024 to RMB6.3 million in 2025, mainly due to our efforts in adjustment and reduction of our borrowings. In light of our operating cash flow position, we have progressively repaid outstanding bank loans to scale down interest-bearing liabilities to optimize our capital structure, lower financial leverage and capital costs, and strengthens overall operational stability.

Income Tax Expense

Our income tax expense decreased by 79.0% from RMB13.8 million in 2024 to RMB2.9 million in 2025. Our income tax expense as a percentage of our profit before income tax decreased from 18.3% in 2024 to 3.3% in 2025 primarily because loss-making entities within our Group experienced a narrowing of losses and recognized increased deferred tax assets, which reduced income tax expense, thereby lowering our overall effective income tax rate.

Profit for the Year

As a result of the foregoing, our net profit increased by 39.1% from RMB61.6 million in 2024 to RMB85.7 million in 2025.

Comparisons Between 2024 and 2023

Revenue

Our revenue decreased by 11.2% from RMB3,024.5 million in 2023 to RMB2,686.8 million in 2024, primarily due to our revenue in 2023 included the revenue of RMB749.2 million from subsidiaries which we disposed in Historical Disposals, partially offset by the increase in revenue from Power Equipment and Energy Storage business.

Our revenue from Power Equipment and Energy Storage segment increased by 5.0% from RMB2,000.7 million in 2023 to RMB2,101.2 million in 2024, primarily due to the following reasons, partially offset by the effect that our revenue in 2023 included RMB469.5 million generated from the Power Equipment and Energy Storage businesses which we subsequently disposed of in our Historical Disposals, of which RMB396.4 million was generated from our charging pile business:

– The revenue from power distribution and consumption products and solutions increased from RMB1,551.7 million in 2023 to RMB1,973.5 million in 2024, primarily due to an increase in revenue per order, partially offset by a decrease in number of orders. The number of orders in power distribution and consumption products and solutions decreased from 1,449 in 2023 to 1,257 in 2024, while the revenue per order increased from RMB1.1 million in 2023 to RMB1.6 million in 2024, primarily due to an increase in overall demand within the power sector, partially offset by the disposal of Hongda Electric, which resulted in a decline in number of orders.

– The revenue from energy storage systems increased from RMB52.6 million in 2023 to RMB127.7 million in 2024, primarily due to increases in both number of orders and revenue per order. The number of orders in energy storage systems increased from 57 in 2023 to 74 in 2024, and the revenue per order increased from RMB0.9 million in 2023 to RMB1.7 million in 2024, primarily due to the increased market demand.

Our revenue from Robots segment decreased by 42.8% from RMB1,023.9 million in 2023 to RMB585.6 million in 2024, primarily due to (i) our revenue from Robots in 2023 included the revenue of RMB279.7 million from our AGV and body-in-white welding line businesses which we disposed in Historical Disposals; and (ii) the following reasons in relation to the business and operation of Robots segment:

– The revenue from industrial manipulators decreased from RMB485.5 million in 2023 to RMB 332.8 million in 2024, primarily due to decreases in both number of orders and revenue per order. The number of orders in industrial manipulators decreased from 672 in 2023 to 600 in 2024, while the revenue per order decreased from RMB723 thousand in 2023 to RMB555 thousand in 2024, primarily because we strategically adjusted our customer and order mix.

– The revenue from stackers decreased from RMB208.0 million in 2023 to RMB176.5 million in 2024, primarily due to a decline in revenue per order, partially offset by an increase in the number of orders. The number of orders for stackers increased from 74 in 2023 to 106 in 2024, while revenue per order decreased from RMB2.8 million to RMB1.7 million over the same period, primarily because rising market demand drove growth in number of orders, while intensified competition led to a decline in revenue per order.

– The number of orders in inspection robots increased from 22 in 2023 to 31 in 2024, while the revenue per order increased from RMB1.9 million in 2023 to RMB2.3 million in 2024, primarily because we expanded our application scenarios, which drove growth in our customer base and number of orders.

Cost of Sales

Our cost of sales decreased by 14.6% from RMB2,396.1 million in 2023 to RMB2,047.2 million in 2024, which was generally in line with our revenue decrease for the same years.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 1.8% from RMB628.5 million in 2023 to RMB639.6 million in 2024. Our gross profit margin increased from 20.8% in 2023 to 23.8% in 2024, primarily due to a decrease in the portion of low profit margin projects resulted from Historical Disposals.

Our gross profit from Power Equipment and Energy Storage business segment increased by 11.0% from RMB424.4 million in 2023 to RMB471.0 million in 2024, while our gross profit margin increased from 21.2% in 2023 to 22.4% in 2024, primarily due to an increase in the portion of high profit margin projects resulted from Historical Disposals.

Our gross profit from Robots segment decreased by 17.3% from RMB204.0 million in 2023 to RMB168.7 million in 2024, while our gross profit margin increased from 19.9% in 2023 to 28.8% in 2024, primarily due to the disposal of low-margin and loss making businesses, including AGV and body-in-white welding line, as part of the Historical Disposals.

Other Income

Our other income increased by 10.7% from RMB80.1 million in 2023 to RMB88.6 million in 2024, primarily due to the increase in rental and service fee income in relation to our investment properties, partially offset by a decrease in government grants.

Other Gains and Losses, Net

We recorded other losses, net of RMB1.8 million in 2023 and other gains, net of RMB7.8 million in 2024, mainly due to the net gains on disposals of subsidiaries in relation to the Historical Disposals.

Impairment Losses on Non-Current Assets

We recorded impairment losses on non-current assets of RMB4.5 million in 2023 and nil in 2024, mainly due to the impairment losses on certain of our non-current assets in 2023.

Research and Development Expenses

Our research and development expenses decreased by 25.3% from RMB259.7 million in 2023 to RMB194.1 million in 2024 due to our Historical Disposals, as the disposed entities had research and development expenses of RMB53.8 million in 2023 and we streamlined our R&D resources. We have completed the R&D of core technologies and basic products. During the Track Record Period, our R&D activities mainly focused on iteration of existing products, scenario adaptation and process optimization, requiring no substantial investment in fundamental research work. In addition, our spending on R&D staff and raw materials consumables remained relatively stable, hence our R&D expenses have not risen in line with revenue growth from 2023 to 2024.

Administrative Expenses

Our administrative expenses decreased by 20.3% from RMB258.9 million in 2023 to RMB206.2 million in 2024 due to our Historical Disposals, as the disposed entities had administrative expenses of RMB68.8 million in 2023.

Selling Expenses

Our selling expenses decreased by 19.3% from RMB290.0 million in 2023 to RMB233.9 million in 2024 due to our Historical Disposals, as the disposed entities had selling expenses of RMB56.0 million in 2023.

Share of Results of Associates, Net

We recorded share of losses of associates, net of RMB2.6 million in 2023 and share of profits of associates, net of RMB5.2 million in 2024, primarily due to the fluctuation of gains and losses of our associates.

Finance Costs

Our finance costs decreased by 38.5% from RMB24.4 million in 2023 to RMB15.0 million in 2024, mainly due to our efforts in adjustment and reduction of our borrowings, resulting in lower financing costs.

Income Tax Expense

Our income tax expense amounted to RMB30.3 million in 2023 and RMB13.8 million in 2024. Our income tax expense as a percentage of our profit before income tax decreased from 21.6% in 2023 to 18.3% in 2024.

Profit for the Year

As a result of the foregoing, especially our Historical Disposals, our net loss for the year of RMB170.7 million in 2023 was turned into net profit for the year of RMB61.6 million in 2024. The subsidiaries disposed of in the Historical Disposals recorded loss for the year of RMB67.9 million in 2023 and gain for the year of RMB9.3 million in 2024.

DISCUSSION OF CERTAIN COMPONENTS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets and Non-current Liabilities

The following table sets forth the components of our non-current assets and non-current liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	366,794	336,120	322,424	439,949
Right-of-use assets	108,574	86,942	107,632	158,335
Intangible assets	10,219	2,929	1,476	10,011
Investment property	224,172	214,545	203,447	197,613
Interests in associates	339,991	371,686	359,612	367,951
Goodwill	8,474	8,474	8,474	19,991
Financial assets at FVTOCI	10,694	10,965	11,791	26,778
Prepayments, other receivables and other assets	37,782	32,502	46,482	42,973
Deferred tax assets	53,873	55,673	62,241	70,351
Total non-current assets	**1,160,573**	**1,119,836**	**1,123,579**	**1,333,952**

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Borrowings	160,000	94,000	–	90,000
Lease liabilities	13,814	954	17,632	15,483
Deferred tax liabilities	413	245	237	3,571
Deferred income	225,553	216,122	206,631	182,136
Provisions	31,554	19,246	–	–
Total non-current liabilities	**431,334**	**330,567**	**224,500**	**291,190**

Property, Plant and Equipment

Our property, plant and equipment primarily consist of properties and buildings, machinery and equipment, office and electronic equipment and leasehold improvement. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, Plant and Equipment				
Properties and buildings	250,015	239,080	235,925	296,521
Machinery and equipment	56,531	50,430	45,151	69,292
Office and electronic equipment	42,749	30,739	26,779	30,933
Leasehold improvement	15,284	9,344	12,309	14,498
Construction in progress	514	5,557	1,139	24,655
Transportation equipment	1,701	970	1,121	4,050
Total	**366,794**	**336,120**	**322,424**	**439,949**

Our property, plant and equipment decreased from RMB366.8 million as of December 31, 2023 to RMB336.1 million as of December 31, 2024, and further decreased to RMB322.4 million as of December 31, 2025, primarily due to the annual depreciation of our fixed assets. Our property, plant and equipment increased to RMB439.9 million as of June 30, 2026, primarily due to additions of property, plant and equipment of RMB38.1 million and an increase of RMB97.1 million arising from acquisition of Yuanguang Electrical.

Net Current Assets

We had net current assets positions as of December 31, 2023, 2024 and 2025, June 30, 2026 and August 31, 2026.

	As of December 31,			As of June 30,	As of August 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
CURRENT ASSETS					
Inventories	1,221,683	989,023	845,884	1,032,706	1,068,892
Trade and notes receivables	1,776,356	1,597,413	1,575,088	1,756,984	1,670,451
Contract assets	95,326	55,946	79,533	78,223	75,842
Prepayments, other receivables and other assets	211,067	151,723	130,589	185,688	232,683
Financial assets at fair value through profit or loss	210,537	332,432	207,768	148,975	153,453
Financial assets at FVTOCI	91,994	45,372	72,873	102,024	90,059
Restricted bank deposits	307,590	176,914	139,765	94,110	129,454
Cash and cash equivalents	367,426	419,018	448,022	262,764	299,670
Total current assets	**4,281,979**	**3,767,841**	**3,499,522**	**3,661,474**	**3,720,504**
CURRENT LIABILITIES					
Trade and notes payables	1,860,008	1,730,459	1,693,300	1,795,180	1,834,754
Contract liabilities	699,445	541,845	505,314	468,904	516,944
Other payables and accruals	351,694	263,152	295,943	285,566	262,393
Borrowings	406,222	290,643	76,713	159,072	194,753
Lease liabilities	14,229	6,783	12,186	13,109	10,269
Income tax payables	13,226	15,375	6,061	12,236	6,534
Total current liabilities	**3,344,824**	**2,848,257**	**2,589,517**	**2,734,067**	**2,825,647**
NET CURRENT ASSETS	**937,155**	**919,584**	**910,005**	**927,407**	**894,857**

Our net current assets were RMB937.2 million, RMB919.6 million, RMB910.0 million, RMB927.4 million and RMB894.9 million, respectively, as of December 31, 2023, 2024 and 2025, June 30, 2026 and August 31, 2026. The decreases in net current assets were as of 2023, 2024 and 2025 primarily due to decreases in inventories and trade and notes receivables, partially offset by decreases in trade and notes payables and contract liabilities. The increase in net current assets as of June 30, 2026, was primarily due to increases in inventories and trade and notes receivables, partially offset by a decrease in cash and cash equivalents and an increase in current liabilities. The decrease in net current assets as of August 31, 2026, was primarily due to increase in contract liabilities and borrowings.

Inventories

Our inventories consist of raw materials, work-in-progress products and finished goods, less provision for impairment. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Inventories				
Raw materials	173,096	111,578	96,290	198,782
Work-in-progress products	583,493	286,707	341,461	432,399
Finished goods	598,858	693,082	466,302	461,317
Less: provision for impairment	(133,764)	(102,344)	(58,169)	(59,792)
Total	**1,221,683**	**989,023**	**845,884**	**1,032,706**

Our inventories increased by 22.1% from RMB845.9 million as of December 31, 2025 to RMB1,032.7 million as of June 30, 2026, primarily due to the acquisition of Yuanguang Electrical and higher stockpiling of chips.

Our inventories decreased by 14.5% from RMB989.0 million as of December 31, 2024, to RMB845.9 million as of December 31, 2025, primarily due to decreases in raw materials and finished goods in response to the delivery requirements in Power Equipment and Energy Storage segment that were typically scheduled in the fourth quarter of the year.

Our inventories decreased by 19.0% from RMB1,221.7 million as of December 31, 2023 to RMB989.0 million as of December 31, 2024 due to our Historical Disposals, as the disposed entities had inventories of RMB425.8 million in 2023, partially offset by an increase in sales orders value for our Power Equipment and Energy Storage business.

The following is an aging analysis of our inventories:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Inventories				
Within 1 year	964,918	843,402	727,563	946,367
Over 1 year	256,765	145,621	118,321	86,340
Total	**1,221,683**	**989,023**	**845,884**	**1,032,706**

We believe we have a comprehensive and adequate system in place for identifying and accounting for inventory risks and impairment provisions. We regularly review our inventories and recoverability to identify items with low sales or usage value and make impairment provisions accordingly. We further assess inventories based on the lower of cost or net realizable value to make any additional impairment provisions.

Our provision for impairment of inventories decreased from RMB133.8 million as of December 31, 2023 to RMB58.2 million as of December 31, 2025, and subsequently increased slightly to RMB59.8 million as of June 30, 2026, primarily in relation to the disposals of certain impaired inventories of energy storage systems. Our Group has implemented a robust and disciplined approach to ensure that sufficient provisions are made for items with low future utilization. To manage potential impairment risks, our Company conducts quarterly reviews of inventory status, assessing the condition and usage expectations of all stock items. These reviews are supported by regular inventory impairment testing procedures. Based on the outcomes of these evaluations, we make appropriate provisions for inventory write-downs in accordance with accounting standards. This ensures that our financial statements accurately reflect the realizable value of our inventory and that we maintain a prudent buffer against potential obsolescence or underutilization. Through this process, our Group has made sufficient and timely provisions to address any impairment risks associated with slow-moving or excess inventory.

The following table sets forth our inventory turnover days for the years or periods indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Inventory turnover days[(1)]	187	197	143	148

Note:

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year divided by cost of revenue for the relevant year and multiplied by actual days in that year. For the relevant years or periods, divided by cost of revenue for the relevant years or periods and multiplied by the actual number of days in the relevant years or periods.

Our inventory turnover days remained relatively stable at 187 days and 197 days in 2023 and 2024, reflecting our operational stability. Our inventory turnover days decreased to 143 days in 2025 primarily because we aligned our inventory preparations directly with on-hand orders. While we increased procurement to match order scale, we focused on timely project delivery, faster acceptance, and accelerated settlement. This optimized our inventory levels, lowering inventory balances and ensuring revenue growth outpaced inventory expansion. Our inventory turnover days remained relatively stable at 143 days and 148 days in 2025 and the six months ended June 30, 2026.

Our relatively long inventories turnover days are primarily attributed to our customized products and solutions, which needs longer delivery cycles in its nature. To reduce our inventory turnover days, we have (i) implemented order-driven production to reduce overstock, formulated procurement and production plans based on actual orders and sales forecasts, and controlled new inventory at the source; (ii) established a digital dynamic monitoring mechanism to identify slow-moving and long-aged inventory weekly, carried out cross-departmental evaluations for materials over one year old, and strictly followed the principle of utilizing existing inventory before procurement; and (iii) promoted a cross-departmental coordination mechanism involving sales, production, procurement, and warehousing to revitalize idle assets through internal transfer, supplier repurchase, and industry exchange, so as to achieve healthy inventory turnover.

As of August 31, 2026, RMB343.1 million, or 33.2% of inventories as of June 30, 2026 had been used, consumed or sold.

Trade and Notes Receivables

The following table sets forth a breakdown of our trade and notes receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes receivables				
Trade receivables	2,005,289	1,813,328	1,805,919	2,016,658
Notes receivables	206,382	140,902	104,266	92,867
	2,211,671	1,954,230	1,910,185	2,109,525
Less: provision for impairment	(435,315)	(356,817)	(335,097)	(352,541)
Total	**1,776,356**	**1,597,413**	**1,575,088**	**1,756,984**

Our trade receivables and notes receivables mainly refer to outstanding amounts due from our customers for the purchase of goods we sold in the ordinary course of business, less credit loss allowance. Our notes receivables mainly represent bank acceptance notes from customers in the PRC.

Our trade and notes receivables decreased by 1.4% from RMB1,597.4 million as of December 31, 2024 to RMB1,575.1 million as of December 31, 2025, primarily due to an increase in customer payment received. Our trade and notes receivables decreased by 10.1% from RMB1,776.4 million as of December 31, 2023 to RMB1,597.4 million as of December 31, 2024, primarily due to our Historical Disposals, as the disposed entities had trade and notes receivables of RMB248.6 million in 2023, partially offset by an increase in revenue in our Power Equipment and Energy Storage segment. Our trade and notes receivables increased by 11.5% from RMB1,575.1 million as of December 31, 2025 to RMB1,757.0 million as of June 30, 2026, primarily due to the acquisition of Yuanguang Electrical.

We generally grant credit terms ranging from 30 days to 90 days after issuance of invoices to our customers. During the Track Record Period, the majority of our trade receivables were outstanding for less than one year. The following table sets forth an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
Within 1 year	1,163,373	1,037,489	1,133,910	1,346,041
Over 1 year but within 2 years	387,877	369,222	282,953	296,812
Over 2 years but within 3 years	165,396	162,073	170,634	123,781
Over 3 years	288,643	244,544	218,422	250,024
Total	**2,005,289**	**1,813,328**	**1,805,919**	**2,016,658**

We seek to maintain strict control over our outstanding receivables. Our credit control department is responsible for minimizing credit risks. Our senior management regularly reviews the recoverability of our outstanding balances and, when appropriate, provides for impairment of these trade receivables. We apply the IFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and aging. See Note 24 and 46 of the Accountants' Report set out in Appendix I to this document.

Our provision for impairment for trade and notes receivables decreased in 2023, 2024 and 2025, primarily in line with our decrease in trade and notes receivables. We do not anticipate to have any material recoverability issue with outstanding trade receivables, and we have made sufficient credit loss allowances, based on (i) our robust credit risk management system, which includes credit evaluations and tailored credit policies, (ii) stringent internal measures that enhance the collection and management of trade receivables. For example, the collection of trade receivables is factored in the monthly performance appraisal of our sales team and relevant management members, (iii) the reliability and track record of settlement from our customers, who are primarily well-known companies in the industry with long-standing and stable relationships with us, and (iv) our strong customer relationships and the consistent payments we received from customers. Our provision for impairment of trade and notes receivables remained relatively stable in 2025 and the six months ended June 30, 2026.

The following table sets forth our trade and notes receivables turnover days for the years or periods indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Trade and notes receivables turnover days[(1)]	210	229	192	198

Note:

(1) Trade and notes receivables turnover days are calculated using the average of opening balance and closing balance of trade and notes receivables for the relevant years or periods, divided by revenue for the relevant years or periods and multiplied by the actual number of days in the relevant years or periods.

Our trade and notes receivables turnover days remained relatively stable at 210 days, 229 days, 192 days, and 198 days in 2023, 2024, 2025, and six months ended June 30, 2026.

Our relatively long trade and notes receivables turnover days are primarily because our businesses involved tailor-made products and solutions, as well as longer production, installation, acceptance and warranty settlement cycles. We recognize revenue and trade receivable upon the issuance of formal acceptance certificates by customers. To reduce our trade and notes receivables turnover days, we have established a full-chain management system of "prevention in advance, process control, and special collection (事前防控+過程管控+專項清收)". We have strengthened customer credit evaluation to control risks at the source, set up a three-level hierarchical collection mechanism, formed a special team to recover receivables over three years, and included payment collection performance in the KPI system of our sales personnel to enhance the sense of responsibility for timely fund recovery.

As of August 31, 2026, RMB639.0 million, or 30.3% of our trade and notes receivables as of June 30, 2026 had been settled.

Prepayments, other receivables and other assets

Our prepayments, other receivables and other assets primarily consist of (i) advance payments for purchases, (ii) VAT recoverable, and (iii) long term contract assets. The following table sets forth 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'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-Current				
Long term contract assets	34,140	35,811	45,677	42,098
Prepayments for acquisition of long-term assets	7,102	1,970	8,855	4,521
	41,242	37,781	54,532	46,619
Less: provision of impairment	(3,460)	(5,279)	(8,050)	(3,646)
Total	**37,782**	**32,502**	**46,482**	**42,973**
Current				
Other receivables				
– Deposits and guarantees	47,669	37,619	34,805	37,319
– Employee advances[(1)]	2,374	3,820	3,461	13,032
– Receivables due from related parties	7,470	9,866	12,447	10,095
– Service fee	–	2,843	1,536	5,640
– Consideration for disposal of subsidiaries	63,907	30,949	–	1,013
– Others	9,399	12,424	6,817	16,540
	130,819	97,521	59,066	83,639
Less: provision of impairment	(25,582)	(22,507)	(15,316)	(17,577)
	105,237	75,014	43,750	66,062
Advance payments for materials	43,596	39,669	30,612	33,501
VAT recoverable	61,400	33,955	49,407	68,897
Prepaid EIT	2	559	–	–
Prepaid [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Others	832	2,526	1,612	1,990
Total	**211,067**	**151,723**	**130,589**	**185,688**

Note:

(1) Employee advances includes working capital advance made by us to employees that are directly related to our daily business operations, including travel expense funds for employees, funds for departmental routine miscellaneous purchases and office operating expenses, as well as temporary funds for on-site project execution and emergency matters.

Our prepayments, other receivables and other assets decreased by 26.0% from RMB248.8 million as of December 31, 2023 to RMB184.2 million as of December 31, 2024, primarily due to the decrease of consideration we received in relation to disposals of subsidiaries and a decrease in VAT recoverable in 2024. Our prepayments, other receivables and other assets further decreased by 3.9% to RMB177.1 million as of December 31, 2025, primarily due to a decrease in consideration for disposal of subsidiaries. Our prepayments, other receivables and other assets increased by 29.1% from RMB177.1 million as of December 31, 2025 to RMB228.7 million as of June 30, 2026, primarily due to the acquisition of Yuanguang Electrical, increases in VAT recoverable, other receivables and prepaid [**REDACTED**] expenses.

As of August 31, 2026, RMB41.4 million, or 16.8% of our prepayments, other receivables and other assets as of June 30, 2026, had been subsequently settled.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss consist of bank wealth management products and structured deposits and listed securities during the Track Record Period. We recorded RMB210.5 million, RMB332.4 million, RMB207.8 million and RMB149.0 million of financial assets at fair value through profit or loss as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. The increase from RMB210.5 million as of December 31, 2023 to RMB332.4 million as of December 31, 2024 was primarily due to increases in wealth management products that we purchased. The decrease from RMB332.4 million as of December 31, 2024 to RMB207.8 million as of December 31, 2025 and further to RMB149.0 million as of June 30, 2026 was primarily due to redemption of certain wealth management products to control amount and scale of our overall investment.

During the Track Record Period, our financial assets primarily comprised of wealth management products with Level 3 valuation. Details of the fair value measurement of our wealth management products, particularly the fair value hierarchy and the valuation techniques are disclosed in Note 45 in the Accountants' Report in Appendix I to this Document.

We purchase wealth management products with high liquidity and low risk to increase the return of idle cash and bank balances. To monitor and control the risks associated with our financial assets, we have adopted a comprehensive set of internal policies and procedures that regulate our investment operations. Our finance department is responsible for the overall management of our investment, which primarily encompasses proposing, analyzing and evaluating potential investments. All investment operations are subject to the supervision of our audit department. Our management, including our finance department and audit department, have extensive experience in managing financial aspects of an enterprise's operations.

Our investment decisions are made after thorough consideration of a number of factors, which include but are not limited to, macro-economic environment, general market conditions, risk control and credit of issuing financial institutions, our own working capital conditions and the expected profit or potential loss of the investment. We endeavor to further reduce risks and enhance compliance associated with investments, by, for example, (i) controlling the amount and scale of investments and (ii) ensuring investments are closely related to our business operations and financial needs, among others.

Upon [**REDACTED**], we intend to continue our investments strictly in accordance with our internal policies and procedures, Articles of Association and compliance requirements under Chapter 14 of the Listing Rules.

Trade and Notes Payables

Our trade and notes payables consist of trade payables and notes payables, primarily representing payables to our suppliers for raw materials. The following table sets forth a breakdown of our trade payables and notes payables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes payables				
Trade payables	1,397,958	1,200,983	1,188,840	1,407,996
Notes payables	462,050	529,476	504,460	387,184
Total	**1,860,008**	**1,730,459**	**1,693,300**	**1,795,180**

Our trade payables and notes payables decreased by 7.0% from RMB1,860.0 million as of December 31, 2023 to RMB1,730.5 million as of December 31, 2024, primarily due to our Historical Disposals, as the disposed entities had trade and notes payables of RMB532.0 million in 2023, partially offset by revenue growth in our Power Equipment and Energy Storage business, resulting in a corresponding expansion in our procurement scale. Our trade payables and notes payables remained relatively stable at RMB1,693.3 million as of December 31, 2025. Our trade and notes payables increased by 6.0% from RMB1,693.3 million as of December 31, 2025 to RMB1,795.2 million as of June 30, 2026, primarily due to the acquisition of Yuanguang Electrical.

The trade payables are normally settled within one year. The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
Within 1 year	1,256,991	1,060,098	1,068,582	1,247,965
Over 1 year but within 2 years	78,228	87,482	67,619	90,716
Over 2 years but within 3 years	38,024	27,665	31,694	32,278
Over 3 years	24,715	25,738	20,945	37,037
Total	**1,397,958**	**1,200,983**	**1,188,840**	**1,407,996**

The following table sets forth our trade and notes payables turnover days for the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Trade and notes payables turnover days[(1)]	294	320	266	276

Note:

(1) Trade and notes payables turnover days are calculated using the average of opening balance and closing balance of trade and notes payables for the relevant years or periods, divided by cost of revenue for the relevant years or periods and multiplied by the actual number of days in the relevant years or periods.

Our trade and notes payables turnover days increased from 294 days in 2023 to 320 days in 2024, reflecting an increase in the balance of notes payables. This was mainly due to an increase in the proportion of settlements with suppliers made via bank acceptance bills. Our trade and notes payables turnover days decreased to 266 days in 2025 primarily because (i) faster cash collections from customers led to quicker payments to suppliers; (ii) we have increased procurement scale, with no material change in payment terms to suppliers. Our trade and notes payables turnover days remained relatively stable in 2025 and the six months ended June 30, 2026.

We usually agree to favorable credit periods for our payments with our suppliers when concluding contracts, so as to maintain flexibility in payment timing.

As of August 31, 2026, RMB512.3 million, or 28.5% of our trade and notes payables as of June 30, 2026 had been settled.

Contract Liabilities

Our contract liabilities refer to the obligation to transfer goods to customers in consideration of payments received or receivable from customers, primarily representing advance payments from customers. Contract liabilities are incurred when the payment schedule agreed under the contract is ahead of the performance of contract obligations.

Our contract liabilities decreased by 22.5% from RMB699.4 million in 2023 to RMB541.8 million in 2024, primarily because the subsidiaries disposed of in the Historical Disposals recorded contract liabilities in 2023 and such contract liabilities were de-recognised upon Historical Disposals.

Our contract liabilities decreased by 6.7% from RMB541.8 million in 2024 to RMB505.3 million in 2025, and decreased by 7.2% from RMB505.3 million as of December 31, 2025 to RMB468.9 million as of June 30, 2026, primarily because projects corresponding to contract liabilities have been successively delivered, accepted and settled. Contract liabilities are transferred and recognized as revenue, leading to a decline in the closing balance of advance-based contract liabilities.

As of August 31, 2026, RMB76.1 million, or 16.2% of our contract liabilities as of June 30, 2026 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals primarily consist of (i) endorsed notes receivables that have not been derecognized and not yet due, (ii) employee benefits payables, (iii) redemption liability of non-controlling interests and (iv) accrued expenses. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated:

	As at December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Endorsed notes receivables that have not been derecognised and not yet due	130,550	84,677	67,317	52,698
Employee benefits payables	79,418	60,699	64,047	38,439
Redemption liability of non-controlling interests	33,600	36,400	39,200	40,600
Accrued expenses	34,769	27,812	39,951	48,547
Tax payable	26,220	35,678	40,230	20,196
Construction and equipment payables	23,862	6,055	9,237	24,551
Deferred output VAT	5,554	3,121	8,190	2,662
Deposits received	11,272	7,654	6,431	4,067
Payables for acquisition of subsidiaries	3,000	–	–	15,120
Warranty provisions	–	–	21,235	23,317
Share incentive scheme contributions received in advance	–	–	–	11,784
Others	3,449	1,056	105	3,585
Total	**351,694**	**263,152**	**295,943**	**285,566**

Our other payables and accruals decreased by 25.2% from RMB351.7 million as of December 31, 2023 to RMB263.2 million as of December 31, 2024, primarily due to (i) decreases in endorsed notes receivables that have not been derecognised and not yet due and (ii) decreases in employee benefits payables. Our other payables and accruals increased by 12.5% to RMB295.9 million as of December 31, 2025, primarily due to (i) increases in tax payable and (ii) increases in warranty provisions. Our other payables and accruals remained relatively stable at RMB285.6 million as of June 30, 2026.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we have historically funded our cash requirements principally from cash generated from our business operations, capital contributions from shareholders and bank borrowings. After the [**REDACTED**], we intend to finance our future capital requirements primarily through cash generated from our business operations, bank borrowings and the [**REDACTED**] from the [**REDACTED**]. We do not anticipate any material changes in the availability of financing to fund our operations in the future.

Cash Flow

The following table sets forth a summary of our cash flows for the years or periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net cash flows generated from/(used in) operating activities	24,407	118,978	196,777	(103,871)	(158,660)
Net cash flows generated from/(used in) investing activities	89,437	(79,039)	147,073	102,254	(129,228)
Net cash flows (used in)/ generated from financing activities	(124,116)	11,653	(314,846)	(175,516)	102,930
Net (decrease)/increase in cash and cash equivalents	(10,272)	51,592	29,004	(177,133)	(184,958)
Cash and cash equivalents at the beginning of the year/period	378,235	367,426	419,018	419,018	448,022
Effect of foreign exchange rate changes, net	(537)	–	–	827	(300)
Cash and cash equivalents at the end of the year/period	**367,426**	**419,018**	**448,022**	**242,712**	**262,764**

Net Cash Flows Generated from Operating Activities

Our cash flows generated from operating activities reflect our profit before taxation adjusted for: (i) non-cash and non-operating items (such as depreciation of non-current assets and interest income); (ii) the effects of movement in working capital (such as inventories, receivables and payables); and (iii) other cash items (such as income taxes paid).

For the six months ended June 30, 2026, we had net cash used in operating activities of RMB158.7 million, which mainly represented profit before income tax of RMB121.9 million, as adjusted by (i) non-cash and non-operating items, primarily consisting of depreciation of property, plant and equipment, investment properties and right-of-use assets of RMB30.5 million and share-based payment expenses of RMB20.5 million and gain on dilution of interests in Hefei Soongo of RMB14.5 million, partially offset by amortisation of deferred government grants of RMB24.5 million and reversal of impairment losses on financial assets of RMB11.2 million; and (ii) movements in working capital, mainly consisting of increases in inventories of RMB98.6 million and trade and notes receivables of RMB73.4 million, and decreases in other payables, accruals and provisions of RMB84.0 million and contract liabilities of RMB70.7 million, partially offset by a decrease in prepayments, other receivables, other assets, contract assets and restricted bank deposits of RMB41.8 million and an increase in trade and notes payables of RMB28.7 million.

In 2025, we had net cash generated from operating activities of RMB196.8 million, which mainly represents profit before income tax of RMB88.6 million, as adjusted by (i) non-cash and non-operating items, which primarily consist of depreciation of properties, plant and equipment and investment properties of RMB41.3 million, depreciation of rights-of-use assets of RMB13.5 million and inventory impairment loss of RMB12.6 million and (ii) movements in working capital, mainly consisting of a decrease in inventories of RMB130.6 million, partially offset by a decrease in trade and notes payables of RMB37.2 million.

In 2024, we had net cash generated from operating activities of RMB119.0 million, which mainly represents profit before income tax of RMB75.4 million, as adjusted by (i) non-cash and non-operating items, which primarily consist of depreciation of properties, plant and equipment and investment properties of RMB40.8 million, depreciation of rights-of-use assets of RMB12.8 million and inventory impairment loss of RMB28.1 million and (ii) movements in working capital, mainly consisting of an increase in other payables and accruals of RMB445.4 million, partially offset by an increase in inventory of RMB222.5 million.

In 2023, we had net cash generated from operating activities of RMB24.4 million, which mainly represents losses before income tax of RMB140.4 million, as adjusted by (i) non-cash and non-operating items, which primarily consist of depreciation of properties, plant and equipment and investment properties of RMB45.7 million, losses on disposals of subsidiaries of RMB7.7 million and inventory impairment loss of RMB74.9 million and (ii) movements in working capital, mainly consisting of an increase in other payables and accruals of RMB332.0 million, partially offset by an increase in inventory of RMB120.4 million.

Net Cash Flows Generated from/Used in Investing Activities

For the six months ended June 30, 2026, our net cash flow used in investing activities was RMB129.2 million, which was primarily attributable to purchase of financial assets at FVTPL of RMB1,022.0 million, partially offset by proceeds from sale of financial assets at FVTPL of RMB1,080.8 million.

In 2025, our net cash flow generated from investing activities was RMB147.1 million, which was primarily attributable to proceeds from sale of financial assets at fair value through profit or loss of RMB2,520.6 million, partially offset by purchase of financial assets at fair value through profit or loss of RMB2,396.6 million.

In 2024, our net cash flow used in investing activities was RMB79.0 million, which was primarily attributable to purchase of financial assets at fair value through profit or loss of RMB1,579.6 million, partially offset by proceeds from sale of financial assets at fair value through profit or loss of RMB1,449.6 million.

In 2023, our net cash flow generated from investing activities was RMB89.4 million, which was primarily attributable to proceeds from sale of financial assets at fair value through profit or loss of RMB857.9 million, partially offset by purchase of financial assets at fair value through profit or loss of RMB746.1 million, partially offset by purchase of items of property, plant and equipment of RMB50.4 million.

Net Cash Flows Generated from/Used in Financing Activities

For the six months ended June 30, 2026, our net cash flow generated from financing activities was RMB102.9 million, which was primarily attributable to proceeds from bank borrowings of RMB147.0 million, partially offset by dividends paid of RMB31.1 million.

In 2025, our net cash flow used in financing activities was RMB314.8 million, primarily attributable to repayment of bank borrowings of RMB384.6 million, partially offset by proceeds from bank borrowings of RMB76.7 million and receipt from maturity of pledged deposits of RMB14.4 million.

In 2024, our net cash flow generated from financing activities was RMB11.7 million, primarily attributable to proceeds from bank borrowings of RMB270.6 million and receipt from maturity of pledged deposits of RMB153.1 million, partially offset by repayment of bank borrowings of RMB367.2 million.

In 2023, our net cash flow used in financing activities was RMB124.1 million, primarily attributable to repayment of bank borrowings of RMB494.9 million, partially offset by proceeds from bank borrowings of RMB391.2 million.

INDEBTEDNESS

As of December 31, 2023, 2024 and 2025, June 30, 2026 and August 31, 2026, our indebtedness included borrowings and lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,	As of August 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current					
Bank borrowings	406,222	290,643	76,713	159,072	194,753
Lease liabilities	14,229	6,783	12,186	13,109	10,269
Non-current					
Bank borrowings	160,000	94,000	–	90,000	90,000
Lease liabilities	13,814	954	17,632	15,483	13,454
Total	**594,265**	**392,380**	**106,531**	**277,664**	**308,476**

As of June 30, 2026, RMB28.0 million of our short-term bank borrowings were guaranteed by our Company and CSG Smart Robot, our subsidiary. Our current and non-current portions of long-term bank borrowings of RMB95.0 million in aggregate were guaranteed by CSG Smart Robot. See Note 34 to the Accountants' Report in Appendix I to this Document for additional details. As of August 31, 2026, RMB74.3 million of our short-term bank borrowings were guaranteed by our Company and CSG Smart Robot. Our current and non-current portions of longterm bank borrowings of RMB179.2 million in aggregate were guaranteed by our Company and CSG Smart Robot.

Except for our indebtedness as disclosed above, we had no material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits which were either guaranteed or unguaranteed, secured or unsecured.

There was no restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that there has not been any material change in our indebtedness since August 31, 2026 and up to the date of this document.

Borrowings

As of December 31, 2023, 2024 and 2025, June 30, 2026 and August 31, 2026, we had borrowings (including current and non-current portions) of RMB566.2 million, RMB384.6 million, RMB76.7 million, RMB249.1 million and RMB284.8 million, respectively, mainly representing short-term bank borrowings to finance our working capital and capital expenditure. Our borrowings are primarily denominated in Renminbi. The effective interest rate on our bank loans ranged from 2.3% to 4.9% during the Track Record Period. See Note 34 of the Accountants' Report in Appendix I to this Document. As of the Latest Practicable Date, our unutilized banking facilities amounted to RMB569.0 million.

Lease Liabilities

As of December 31, 2023, 2024 and 2025, June 30, 2026 and August 31, 2026, our total lease liabilities (including current and non-current portions) amounted to RMB28.0 million, RMB7.7 million, RMB29.8 million, RMB28.6 million and RMB23.7 million, respectively, which mainly represented our leases for our manufacturing facilities, offices, warehouses and staff apartments. Our lease liabilities decreased from RMB28.0 million as of December 31, 2023 to RMB7.7 million as of December 31, 2024, primarily due to a decrease in the total leased area of industrial land and office space. Our lease liabilities were increased to RMB29.8 million as of December 31, 2025 primarily due to increase in new leases in Shanghai and Nanjing. Our lease liabilities remained relatively stable as of December 31, 2025 and June 30, 2026.

CONTINGENT LIABILITIES

As of June 30, 2026, we had no material contingent liabilities.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates/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)]	20.8%	23.8%	22.1%	24.9%
Current ratio[(2)]	1.3	1.3	1.4	1.3
Adjusted net (loss)/profit margin (non-IFRS measure)	(5.4%)	2.3%	3.7%	8.6%

Notes:

(1) Gross profit margin equals gross profit for the relevant years or periods divided by revenue for the relevant years or periods and multiplied by 100.0%.

(2) Current ratio equals total current assets divided by total current liabilities as of the same date.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures consisted of purchase of items of property, plant and equipment and purchase of items of intangible assets.

In 2023, 2024 and 2025 and six months ended June 30, 2025 and 2026, our capital expenditures were RMB50.6 million, RMB42.2 million, RMB21.9 million, RMB7.7 million and RMB62.6 million, respectively, primarily due to continuous upgrades on production bases. We funded these expenditures mainly with cash generated from our business operations and bank borrowings.

Following the [**REDACTED**], we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations and the [**REDACTED**] from the [**REDACTED**]. See "Future Plans and [**REDACTED**]." We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025 and June 30, 2026, our capital commitments were approximately nil, nil, nil and RMB85.0 million, respectively, primarily due to the construction of production bases.

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 43 of 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 43 of 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.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

FINANCIAL RISKS DISCLOSURE

Our activities expose us to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. Our overall risk management focuses on the unpredictability of financial markets, seeks a balance between risk and return and minimizes the adverse impact of risk on our finance performance. Based on this risk management objective, the basic strategy of our risk management is to identify and analyze the various risks faced by us, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range. For details about our financial risks during the Track Record Period, see Note 46 of the Accountants' Report in Appendix I to this Document.

DIVIDENDS AND DIVIDEND POLICY

No dividends have been paid or declared by the Company for the years ended December 31, 2023, 2024 and 2025, as the relevant conditions for distributing cash dividends stipulated in our Articles of Association were not satisfied. On March 17, 2026, we declared cash dividends to our Shareholders of RMB31.1 million in respect of the year of 2025, which was fully paid on April 21, 2026.

According to applicable laws in Chinese Mainland and the dividend policy stipulated in our Articles of Association, dividends may be distributed in cash, stock, or a combination of both. Whenever conditions permit cash dividends, it will be our preferred method of distribution. In the absence of major investment plans or significant cash expenditures, we shall distribute dividends in cash, with the amount distributed in cash being no less than 15% of the distributable profit for the year. We may also issue stock dividends while implementing the aforementioned cash dividend distribution. Currently, we do not have and do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the [**REDACTED**]. We should not declare or pay any dividends if there are accumulated losses according to our dividend policy.

Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our shareholders at a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board of Directors. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, operating cash flows, available financing facilities and the estimated [**REDACTED**] from the [**REDACTED**], our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

We had accumulated loss of RMB2,434.0 million as of December 31 2023 and RMB2,364.0 million as of December 31 2024, mainly attributable to the continuous losses from our Robots business. In 2019, affected by the downturn in the automotive industry, revenue from robot products and solutions, including industrial manipulators, AGVs, and automated production lines, declined while costs rose, resulting in substantial losses for the relevant subsidiaries. In the same year, we recognized impairment loss on goodwill of RMB1.6 billion, which led to a net loss of the year of RMB2.6 billion for 2019. From 2020 to 2023, the intelligent manufacturing sector, as the downstream of the automotive industry, remained highly competitive, and the relevant subsidiaries continued to incur losses.

In November 2025, the Group offset accumulated losses of the Company using the Company's surplus reserve of approximately RMB33.2 million and capital reserve of approximately RMB2,559.7 million, totalling approximately RMB2,593.0 million. Following the offset, the Group had no accumulated losses. As of June 30, 2026, the Group had approximately RMB365.7 million of retained earnings.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] commissions and other fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**] will be approximately HK$[**REDACTED**] (equivalent to approximately RMB[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the [**REDACTED**] of the indicative [**REDACTED**]) and no exercise of the [**REDACTED**]), representing [**REDACTED**]% of the [**REDACTED**] (based on the [**REDACTED**] of our indicative [**REDACTED**] for the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) of the [**REDACTED**]. During the Track Record Period, we incurred [**REDACTED**] of RMB[**REDACTED**], which was recognized in the consolidated statements of comprehensive income as general and administrative expenses. We expect to incur [**REDACTED**] expenses of approximately HK$[**REDACTED**], of which approximately HK$[**REDACTED**] is expected to be recognized in the consolidated statements of comprehensive income as general and administrative expenses and approximately HK$[**REDACTED**] is expected to be recognized as a deduction in equity directly upon the [**REDACTED**]. Our Directors do not expect the remaining [**REDACTED**] to have a material adverse impact on our results of operations in 2026. By nature, our [**REDACTED**] are composed of (i) [**REDACTED**] commission of approximately HK$[**REDACTED**] and (ii) non-[**REDACTED**] related expenses of approximately HK$[**REDACTED**], which consist of fees and expenses of legal advisors and the Reporting Accountant of approximately HK$[**REDACTED**] and other fees and expenses of approximately HK$[**REDACTED**].

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [**REDACTED**] Financial Information."

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

See "Summary — Recent Development" in this Document for further details of the impact of recent developments on our business, operations and financial positions.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

PROPERTY INTEREST AND PROPERTY VALUATION

Asia-Pacific Consulting and Appraisal Limited, an independent property valuer, has valued our selective property interests as of July 31, 2026. Particulars of these property interests are set out in Appendix VI to this Document.

The table below sets out the reconciliation between the net book value of our selective property as of June 30, 2026 in the Accountants' Report set out in Appendix I to this Document and the market value of our selective property as of July 31, 2026 in the Property Valuation Report set out in Appendix VI to this Document.

	(RMB'000)
Net book value of our selective property as of June 30, 2026	173,359.9
Depreciation for the one month ended July 31, 2026	788.4
Net book value as of July 31, 2026	172,571.5
Valuation surplus as of July 31, 2026	136,210.5
Valuation as of July 31, 2026 as set out in Appendix VI to this Document	**308,782.0**

FUTURE PLANS

For a detailed description of our future plans, see "Business — Our Strategies."

[REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the [**REDACTED**] of the range of the [**REDACTED**] stated in this Document), we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] commissions and other estimated expenses in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). If the [**REDACTED**] is set at the [**REDACTED**] of the indicative range, the [**REDACTED**] we receive will increase or decrease by approximately HK$[**REDACTED**]. We currently intend to apply the [**REDACTED**] as follows within three years after the [**REDACTED**]:

(1) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated to consolidate technological advantages in our two business segments, and enhance AI empowerment to expand and deepen our adaptability to more application scenarios.

We believe that expanding our adaptability to new industrial scenarios is commercially and technologically feasible, as such scenarios are closely related to our existing technological accumulation in our two business segments. In Power Equipment and Energy Storage segment, we will leverage AI-enabled power equipment, core algorithms and local closed-loop data to enhance scenario adaptation and product delivery capabilities. In Robots segment, we will further invest in AI algorithms, multi-scenario adaptability, joint modules, high-computing-power inference servers and flexible collaborative arms, and integrate our algorithm platforms with self-developed hardware platforms to enhance customized service capabilities across different application scenarios. The relevant [**REDACTED**] are intended to be allocated to specific areas including (i) energy infrastructure and AI-enabled power equipment, (ii) robot hardware and core component upgrades, and software/algorithm-enabled scenario adaptation, and (iii) R&D infrastructure and joint innovation mechanisms and technology commercialization and scalable delivery capabilities.

(a) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to enhance our capability in our Power Equipment and Energy Storage segment. We will focus on national policies-supported areas including Generation-Grid-Load-Storage integration, direct green power connection, and smart microgrids. We plan to integrate advanced intelligent devices (including digital ring main units, energy controllers, etc.) with a proprietary integrated smart energy monitoring, dispatch and trading system, empowered by AI to process data extracted from working environment. Such platform is intended to be used together with edge intelligent devices such as digital ring main units and energy controllers. The system is expected to support data collection, monitoring, analysis, early warning, dispatch optimization and operation and maintenance management of energy equipment, and may incorporate energy trading-related functions where required by specific customer projects. The system is not intended to be commercialized as a standalone platform product, but may be incorporated into our products and solutions under Power Equipment and Energy Storage segment delivered to customers.

(b) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to support our Robots segment. We plan to increase investment in hardware, including joint module development and flexible collaborative arms, and in software, in particular, AI algorithm optimization including real-world simulation, SLAM navigation, and intelligent diagnosis. Such enhancements are expected to be applied in new scenarios including gas and chemicals, new energy operations and maintenance, and road/bridge/tunnel utility tunnels. Such projects are currently in the internal research stage.

(c) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to strengthen our industry-university-research (產-學-研) collaboration. We intend to continue investing in professional laboratories and advanced R&D tool platforms to empower our researches on AI initiatives, such as simulation, navigation, and diagnosis algorithms, as well as equipment including digital ring main units and energy controllers. Such collaborations are expected to directly benefit our competency in the power equipment and energy storage and robot markets, strengthen joint innovation to accelerate technology development, continuously transform core technologies into products and solutions suitable for large-scale delivery, with stable quality and deep integration with digital systems. For example, we have developed the "Hedou Large Model" for vertical scenarios such as power and rail transportation, supporting inspection-related tasks with higher accuracy than general-purpose models in relevant application scenarios and a high overall recognition rate. We have also developed a multi-source heterogeneous sensor fusion navigation system, which enables robots to achieve positioning accuracy and long-distance autonomous operation in complex environments. Leveraging our CRKS intelligent operation and maintenance platform, we are able to reuse core technologies across different industries and reduce customers' operation and maintenance labor costs, thereby enhancing our scalable delivery capabilities in energy, transportation and industrial operation and maintenance markets.

(2) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to strengthen our sales network and expand our production capacity in Chinese Mainland and overseas. We intend to promote our layout in Chinese Mainland and overseas with focus and in phases and further improve supply chain capabilities and operational efficiency. Specifically,

(a) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to expand our sales network and market presence in Chinese Mainland and overseas. We will solidify our advantages in comprehensive solution design, technical capabilities, product quality, and R&D innovation while strengthening our sales team and network to serve premium clients and penetrate key regions in the PRC. Regional development plans and policy initiatives in the Middle East, such as the energy diversification policies of Gulf countries, have promoted power infrastructure upgrades, grid modernization, renewable energy integration and digitalization of power systems, thereby creating demand for power equipment and energy storage business. Leveraging our China-based supply chain resources, product R&D capabilities, technical know-how and experience in the Power Equipment and Energy Storage business, we plan to prioritize Middle Eastern markets such as Saudi Arabia, the United Arab Emirates and Kuwait by gradually strengthening our marketing network and localized service capabilities, so as to serve local power infrastructure upgrade and energy transition needs.

(b) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to enhance our production capacity layout, comprising domestic capacity expansion and phased overseas capacity deployment. We plan to promote a domestic capacity layout, including by continuing to invest in an industrial base for our Power Equipment and Energy Storage business in Hefei, Anhui, and increase investment in new power system fields. Since grid companies typically require suppliers shall reserve capacity buffer, we expect to expand our production capacity for power distribution and consumption products and solutions in Power Equipment and Energy Storage segment by approximately 60% to 80%, in a sustainable manner in line with our expected business growth. For our phased overseas capacity deployment, we intend to invest in high-potential markets driven by localization policies and strong supply chain foundations, including the Middle East. The plan is in the preparation phase and we are actively looking for the location for our potential factory in the Middle East.

(3) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated to the R&D on advanced key equipment for the AIDC scenario and application of equipment that integrates quantum technology with the power grid. We plan to continuously develop AIDC-related HVDC power supply and distribution products over the next three years, providing mature and reliable power supply and distribution solutions for AIDC and achieving large-scale commercial deployment. We also plan to continuously develop power grid equipment integrated with quantum computing functions over the next three years to enhance the perception and decision-making capabilities of microgrids, realizing an upgrade from passive response to proactive prediction and intelligent optimization. As to the current stage of development and technological maturity, HVDC power supply technology has become an important technological pathway to address the high power density and high reliability requirements of AIDC scenarios, while solid-state transformers represent a key carrier for high-voltage direct current architecture. For further details on the market for AIDC-related HVDC power supply and distribution products, including its competitive landscape, market prospects and associated risks and challenges, see "Industry Overview — Competitive Landscape of AIDC-related HVDC Power Supply and Distribution Products." We have continuously invested in the research and development of the core power electronics technologies involved in solid-state transformers, and has successfully developed a grid-forming energy storage system based on power electronics technology. And we have also currently mastered quantum encryption smart switch technology, and applied such technology to smart switch products since 2023. With our existing technical reserves, power grid business experience and AIDC-related sales contracts, these initiatives are expected to be gradually incorporated into our product and solution portfolio under Power Equipment and Energy Storage business, subject to technological validation, customer demand and market development, and will help enrich our product matrix and enhance our capabilities in generation-grid-load-storage scenarios.

(4) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and general corporate purposes.

The allocation of the [**REDACTED**] will be adjusted on a pro rata basis if the final [**REDACTED**] is set at a [**REDACTED**]. If the [**REDACTED**] is exercised in full, we will receive additional [**REDACTED**] of approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, and we intend to apply such [**REDACTED**] in the same proportions as stated above.

To the extent that the [**REDACTED**] are not immediately required, and subject to applicable laws and regulations, such funds will be placed in short-term interest-bearing deposits with licensed banks or other authorized financial institutions. In such an event, we will comply with the appropriate disclosure requirements under the Listing Rules. We will publish an announcement if there is any material change to the proposed [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

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[**REDACTED**]

The following is the text of a report set out on pages I-1 to I-115, received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CSG SMART SCIENCE & TECHNOLOGY CO., LTD., HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED AND GUOYUAN CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of CSG Smart Science & Technology Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-115, which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025 and June 30, 2026, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and June 30, 2026, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on page I-4 to I-115 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated October 22, 2026 (the "**Document**") in connection with the [**REDACTED**] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

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 presentation and preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company 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' judgment, 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 Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 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 of the Company, 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 Group's consolidated financial position as at December 31, 2023, 2024 and 2025 and June 30, 2026, the Company's financial position as at December 31, 2023, 2024 and 2025 and June 30, 2026, and of the consolidated financial performance and consolidated cash flows of the Group for the Track Record Period in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information. Our

responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board ("**IAASB**"). 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 International 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 Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") 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 12 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
[●]
Practising Certificate Number: [●]
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 consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") and were audited by Rongcheng (Hong Kong) CPA Limited in accordance with International Standards on Auditing issued by the IAASB ("**Underlying Financial Statements**").

The Historical Financial Information are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Year ended December 31,			Six months ended June 30,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	*5*	3,024,538	2,686,815	3,015,114	1,323,063	1,523,806
Cost of sales	*8*	(2,396,076)	(2,047,195)	(2,349,447)	(1,005,703)	(1,144,903)
Gross profit		628,462	639,620	665,667	317,360	378,903
Other income	*6*	80,102	88,648	73,646	44,511	52,840
Other gains and losses, net	*7*	(1,815)	7,779	6,930	2,851	18,368
(Provision)/reversal of impairment losses on financial and contract assets		(7,030)	(16,577)	(4,977)	9,683	11,236
Impairment losses on non-current assets		(4,516)	–	–	–	–
Research and development expenses	*8*	(259,732)	(194,073)	(183,709)	(84,028)	(102,778)
Administrative expenses	*8*	(258,877)	(206,229)	(211,521)	(94,027)	(108,651)
Selling expenses	*8*	(289,979)	(233,938)	(252,256)	(110,458)	(118,180)
Share of results of associates, net	*18*	(2,601)	5,164	1,066	2,079	(6,656)
Finance costs	*10*	(24,435)	(15,018)	(6,270)	(3,244)	(3,214)
(Loss)/profit before income tax		(140,421)	75,376	88,576	84,727	121,868
Income tax expenses	*11*	(30,296)	(13,808)	(2,911)	(5,441)	(10,629)
(Loss)/profit for the year/period		(170,717)	61,568	85,665	79,286	111,239
(Loss)/profit for the year/period attributable to:						
Owners of the Company		(127,830)	70,035	80,773	76,805	108,305
Non-controlling interests		(42,887)	(8,467)	4,892	2,481	2,934
		(170,717)	61,568	85,665	79,286	111,239
Other comprehensive income/(loss) for the year/period, net of tax						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of financial statements of foreign operations, net of tax		363	(265)	418	525	(349)
Item that may not be reclassified subsequently to profit or loss:						
Changes in fair value of financial assets at fair value through comprehensive income ("FVTOCI"), net of tax		(2,888)	271	826	–	–
Total comprehensive (loss)/income for the year/period		(173,242)	61,574	86,909	79,811	110,890
Total comprehensive (loss)/income for the year/period attributable to:						
Owners of the Company		(130,355)	70,041	82,017	77,330	107,956
Non-controlling interests		(42,887)	(8,467)	4,892	2,481	2,934
		(173,242)	61,574	86,909	79,811	110,890
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company						
Basic (in RMB per share)	*13*	(0.16)	0.09	0.10	0.10	0.14
Diluted (in RMB per share)	*13*	(0.16)	0.09	0.10	0.10	0.14

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at June 30, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	*14*	366,794	336,120	322,424	439,949
Right-of-use assets	*15*	108,574	86,942	107,632	158,335
Intangible assets	*16*	10,219	2,929	1,476	10,011
Investment property	*17*	224,172	214,545	203,447	197,613
Interests in associates	*18*	339,991	371,686	359,612	367,951
Goodwill	*21*	8,474	8,474	8,474	19,991
Financial assets at FVTOCI	*23*	10,694	10,965	11,791	26,778
Prepayments, other receivables and other assets	*26*	37,782	32,502	46,482	42,973
Deferred tax assets	*27*	53,873	55,673	62,241	70,351
		1,160,573	1,119,836	1,123,579	1,333,952
Current assets					
Inventories	*28*	1,221,683	989,023	845,884	1,032,706
Trade and notes receivables	*24*	1,776,356	1,597,413	1,575,088	1,756,984
Contract assets	*25*	95,326	55,946	79,533	78,223
Prepayments, other receivables and other assets	*26*	211,067	151,723	130,589	185,688
Financial assets at fair value through profit or loss ("FVTPL")	*22*	210,537	332,432	207,768	148,975
Financial assets at FVTOCI	*23*	91,994	45,372	72,873	102,024
Restricted bank deposits	*29*	307,590	176,914	139,765	94,110
Cash and cash equivalents	*30*	367,426	419,018	448,022	262,764
		4,281,979	3,767,841	3,499,522	3,661,474
Current liabilities					
Trade and notes payables	*31*	1,860,008	1,730,459	1,693,300	1,795,180
Contract liabilities	*32*	699,445	541,845	505,314	468,904
Other payables and accruals	*33*	351,694	263,152	295,943	285,566
Borrowings	*34*	406,222	290,643	76,713	159,072
Lease liabilities	*15*	14,229	6,783	12,186	13,109
Income tax payable		13,226	15,375	6,061	12,236
		3,344,824	2,848,257	2,589,517	2,734,067
Net current assets		937,155	919,584	910,005	927,407
Total assets less current liabilities		2,097,728	2,039,420	2,033,584	2,261,359

	Notes	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at June 30, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Borrowings	*34*	160,000	94,000	–	90,000
Lease liabilities	*15*	13,814	954	17,632	15,483
Deferred tax liabilities	*27*	413	245	237	3,571
Deferred income	*35*	225,553	216,122	206,631	182,136
Provisions	*36*	31,554	19,246	–	–
		431,334	330,567	224,500	291,190
Net assets		1,666,394	1,708,853	1,809,084	1,970,169
EQUITY					
Share capital	*37*	780,242	780,242	778,281	778,281
Treasury shares	*37*	–	(23,997)	–	–
Other reserves		3,303,544	3,255,613	664,744	684,937
(Accumulated losses)/retained earnings		(2,434,017)	(2,363,982)	288,536	365,713
Equity attributable to owners of the Company		1,649,769	1,647,876	1,731,561	1,828,931
Non-controlling interests	*20*	16,625	60,977	77,523	141,238
Total equity		1,666,394	1,708,853	1,809,084	1,970,169

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31,			As at June 30,
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	*14*	4,254	15,998	16,247	18,253
Right-of-use assets	*15*	–	–	6,161	5,451
Intangible assets	*16*	1,647	1,104	864	566
Investment property		4,963	4,721	4,479	4,358
Prepayments, deposits and other assets	*26*	12,260	6,130	8,402	10,311
Investments in subsidiaries	*19*	1,535,819	1,715,819	1,522,371	1,784,264
Interests in associates	*18*	122,122	132,073	64,000	7,485
Financial assets at FVTOCI	*23*	9,316	9,456	10,282	20,269
		1,690,381	1,885,301	1,632,806	1,850,957
Current assets					
Inventories	*28*	114,736	156,169	93,097	141,844
Trade and notes receivables	*24*	183,911	187,319	265,006	248,214
Contract assets	*25*	9,326	11,240	4,556	4,394
Prepayments, deposits and other assets	*26*	1,052,425	169,886	302,432	390,633
Financial assets at FVTPL	*22*	75,124	320,622	170,692	33,000
Financial assets at FVTOCI	*23*	413	3,429	7,788	1,505
Restricted bank deposits	*29*	178,730	10,835	88	16
Cash and cash equivalents	*30*	79,185	49,404	105,322	32,170
		1,693,850	908,904	948,981	851,776
Current liabilities					
Trade and notes payables	*31*	1,411,063	753,091	670,509	812,778
Contract liabilities	*32*	139,408	177,653	140,858	72,073
Borrowings	*34*	60,000	119,500	20,000	25,000
Lease liabilities	*15*	–	–	1,309	1,353
Income tax payable		821	769	1,561	1,583
Other payables and accruals	*33*	173,198	50,605	89,058	135,524
		1,784,490	1,101,618	923,295	1,048,311
Net current (liabilities)/assets		(90,640)	(192,714)	25,686	(196,535)
Total assets less current liabilities		1,599,741	1,692,587	1,658,492	1,654,422

	Notes	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at June 30, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Lease liabilities	*15*	–	–	4,494	4,548
Borrowings	*34*	–	–	–	90,000
Deferred income	*35*	1,728	–	–	–
		1,728	–	4,494	94,548
Net assets		1,598,013	1,692,587	1,653,998	1,559,874
EQUITY					
Share capital	*37*	780,242	780,242	778,281	778,281
Treasury shares	*37*	–	(23,997)	–	–
Other reserves	*39*	3,576,313	3,576,450	731,880	696,165
(Accumulated losses)/retained earnings	*39*	(2,758,542)	(2,640,108)	143,837	85,428
Total equity		1,598,013	1,692,587	1,653,998	1,559,874

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Treasury shares reserve	Capital reserve	Other comprehensive income reserve	Statutory reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 37	*Note 37*	*Note (a)*	*Note (b)*	*Note (c)*				
As at January 1, 2023	780,242	–	3,293,311	(4,544)	33,244	(2,306,187)	1,796,066	129,255	1,925,321
Loss for the year	–	–	–	–	–	(127,830)	(127,830)	(42,887)	(170,717)
Changes in fair value of equity investments at FVTOCI, net of tax	–	–	–	(2,888)	–	–	(2,888)	–	(2,888)
Exchange differences arising on translation in financial statements	–	–	–	363	–	–	363	–	363
Total comprehensive loss for the year	–	–	–	(2,525)	–	(127,830)	(130,355)	(42,887)	(173,242)
Conversion of capital reserve into share capital in a subsidiary	–	–	(24,398)	–	–	–	(24,398)	24,398	–
Capital injection by a non-controlling shareholder	–	–	1,376	–	–	–	1,376	6,304	7,680
Share-based compensation *(Note 38)*	–	–	7,080	–	–	–	7,080	–	7,080
Acquisition of a subsidiary *(Note 48)*	–	–	–	–	–	–	–	26,434	26,434
Disposals of subsidiaries *(Note 47)*	–	–	–	–	–	–	–	(126,879)	(126,879)
As at December 31, 2023	780,242	–	3,277,369	(7,069)	33,244	(2,434,017)	1,649,769	16,625	1,666,394

	Attributable to owners of the Company								
	Share capital	Treasury shares reserve	Capital reserve	Other comprehensive income reserve	Statutory reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	RMB'000 Note 37	*RMB'000* Note 37	*RMB'000* Note (a)	*RMB'000* Note (b)	*RMB'000* Note (c)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024	780,242	–	3,277,369	(7,069)	33,244	(2,434,017)	1,649,769	16,625	1,666,394
Profit/(loss) for the year	–	–	–	–	–	70,035	70,035	(8,467)	61,568
Changes in fair value of equity investments at FVTOCI, net of tax	–	–	–	271	–	–	271	–	271
Exchange differences arising on translation of financial statements	–	–	–	(265)	–	–	(265)	–	(265)
Total comprehensive income/(loss) for the year	–	–	–	6	–	70,035	70,041	(8,467)	61,574
Capital injection by a non-controlling shareholder	–	–	–	–	–	–	–	1,286	1,286
Dividends declared to non-controlling interests of the subsidiary	–	–	–	–	–	–	–	(1,470)	(1,470)
Acquisition of shares of an existing subsidiary	–	–	(44,236)	–	–	–	(44,236)	44,236	–
Transaction with non-controlling interests	–	–	(11,777)	–	–	–	(11,777)	13,653	1,876
Share-based compensation *(Note 38)*	–	–	788	–	–	–	788	337	1,125
Repurchase of shares	–	(23,997)	(3)	–	–	–	(24,000)	–	(24,000)
Disposals of subsidiaries *(Note 47)*	–	–	–	–	–	–	–	(5,223)	(5,223)
Others	–	–	7,291	–	–	–	7,291	–	7,291
As at December 31, 2024	780,242	(23,997)	3,229,432	(7,063)	33,244	(2,363,982)	1,647,876	60,977	1,708,853

	Attributable to owners of the Company								
	Share capital	Treasury shares reserve	Capital reserve	Other comprehensive income reserve	Statutory reserve	(Accumulated losses)/retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 37	*Note 37*	*Note (a)*	*Note (b)*	*Note (c)*				
As at January 1, 2025	780,242	(23,997)	3,229,432	(7,063)	33,244	(2,363,982)	1,647,876	60,977	1,708,853
Profit for the year	–	–	–	–	–	80,773	80,773	4,892	85,665
Changes in fair value of equity investments at FVTOCI, net of tax	–	–	–	826	–	–	826	–	826
Exchange differences arising on translation of financial statements	–	–	–	418	–	–	418	–	418
Total comprehensive income for the year	–	–	–	1,244	–	80,773	82,017	4,892	86,909
Dividends declared to non-controlling interests of the subsidiary	–	–	–	–	–	–	–	(1,470)	(1,470)
Appropriation of statutory reserve	–	–	–	–	21,220	(21,220)	–	–	–
Treasury shares canceled under share repurchase *(Note 37)*	(1,961)	23,997	(22,036)	–	–	–	–	–	–
Transaction with non-controlling interests	–	–	(15,574)	–	–	–	(15,574)	13,124	(2,450)
Share-based compensation *(Note 38)*	–	–	25,782	–	–	–	25,782	–	25,782
Offset the accumulated losses of the Company	–	–	(2,559,721)	–	(33,244)	2,592,965	–	–	–
Others	–	–	(8,540)	–	–	–	(8,540)	–	(8,540)
As at December 31, 2025	778,281	–	649,343	(5,819)	21,220	288,536	1,731,561	77,523	1,809,084

	Attributable to owners of the Company								
	Share capital	Treasury shares reserve	Capital reserve	Other comprehensive income reserve	Statutory reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	RMB'000 *Note 37*	*RMB'000* *Note 37*	*RMB'000* *Note (a)*	*RMB'000* *Note (b)*	*RMB'000* *Note (c)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	780,242	(23,997)	3,229,432	(7,063)	33,244	(2,363,982)	1,647,876	60,977	1,708,853
Profit for the period (unaudited)	–	–	–	–	–	76,805	76,805	2,481	79,286
Exchange differences arising on translation of financial statements (unaudited)	–	–	–	525	–	–	525	–	525
Total comprehensive income for the period (unaudited)	**–**	**–**	**–**	**525**	**–**	**76,805**	**77,330**	**2,481**	**79,811**
Treasury shares cancelled under share repurchase *(Note 37)* (unaudited)	(1,961)	23,997	(22,036)	–	–	–	–	–	–
Transaction with non-controlling interests (unaudited)	–	–	(15,574)	–	–	–	(15,574)	13,124	(2,450)
Others (unaudited)	–	–	(720)	–	–	–	(720)	–	(720)
As at June 30, 2025 (unaudited)	778,281	–	3,191,102	(6,538)	33,244	(2,287,177)	1,708,912	76,582	1,785,494

	Attributable to owners of the Company								
	Share capital	Treasury shares reserve	Capital reserve	Other comprehensive income reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 37	*Note 37*	*Note (a)*	*Note (b)*	*Note (c)*				
As at January 1, 2026	778,281	–	649,343	(5,819)	21,220	288,536	1,731,561	77,523	1,809,084
Profit for the period	–	–	–	–	–	108,305	108,305	2,934	111,239
Exchange differences arising on translation of financial statements	–	–	–	(349)	–	–	(349)	–	(349)
Total comprehensive income for the period	–	–	–	(349)	–	108,305	107,956	2,934	110,890
Dividends declared *(Note 12)*	–	–	–	–	–	(31,131)	(31,131)	–	(31,131)
Acquisition of a subsidiary *(Note 48)*	–	–	–	–	–	–	–	59,864	59,864
Disposal of a subsidiary	–	–	–	–	–	–	–	917	917
Share-based compensation *(Note 38)*	–	–	20,542	–	–	–	20,542	–	20,542
Disposal of financial assets at FVTOCI	–	–	–	–	–	3	3	–	3
As at June 30, 2026	**778,281**	**–**	**669,885**	**(6,168)**	**21,220**	**365,713**	**1,828,931**	**141,238**	**1,970,169**

Notes:

(a) Capital reserve mainly includes share premium and capital reserve recognized resulting from share-based compensation, repurchase of shares, acquisition of non-controlling interests and changes in interests in associates.

(b) Other comprehensive income reserve is the reserve due to the exchange differences on translation of financial statements of foreign operations and the changes in fair value of financial assets at FVTOCI.

(c) It represents the statutory reserve of the Company established in the People's Republic of China (the "**PRC**").

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Operating activities					
(Loss)/Profit before tax	(140,421)	75,376	88,576	84,727	121,868
Adjustments for:					
Share of results of associates, net *(Note 18)*	2,601	(5,164)	(1,066)	(2,079)	6,656
Depreciation of property, plant and equipment *(Note 14)*	35,656	30,679	30,561	15,174	16,883
Depreciation of investment properties *(Note 17)*	10,070	10,135	10,713	5,442	5,350
Depreciation of right-of-use assets *(Note 15)*	16,660	12,766	13,528	7,759	8,258
Amortization of intangible assets *(Note 16)*	12,540	3,382	2,146	1,335	761
(Gains)/losses on negotiated partial recovery of accounts receivables *(Note 7)*	(431)	4,879	878	1,945	527
Net losses/(gains) on disposals of subsidiaries *(Note 7)*	7,691	(9,329)	–	–	(2,817)
Gains on disposal of financial assets at FVTPL *(Note 7)*	(3,519)	(5,250)	(5,887)	(2,591)	(2,067)
Discount expense on receivables financing	–	221	–	–	–
Fair value (gains)/losses on financial assets at FVTPL *(Note 7)*	(496)	464	(858)	(502)	(173)
Net losses/(gains) on disposal of property, plant and equipment and other assets *(Note 7)*	934	3,066	270	–	(3)
Gains on dilution of interests in associates *(Note 7)*	–	–	–	–	(14,495)
Provision for impairment of inventories *(Note 8)*	74,888	28,129	12,569	2,778	2,641
Finance costs	21,951	15,194	6,270	3,244	3,214
Interest income *(Note 6)*	(5,809)	(7,497)	(2,958)	(1,875)	(989)
Net impairment losses/(reversal) on trade and notes receivables, and other receivables	4,128	16,946	1,059	(7,004)	(6,511)
Net impairment losses/(reversal) on contract assets	2,902	(369)	3,918	(2,679)	(4,725)
Net impairment losses on interests in associates *(Note 18)*	3,106	–	–	–	–
Net impairment losses on intangible assets	1,410	–	–	–	–
Share-based payment expense *(Note 9)*	7,080	1,125	25,782	–	20,542

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Amortization of deferred government grants *(Note 6)*	(9,174)	(9,381)	(9,491)	(6,828)	(24,495)
Foreign exchange losses/(gains), net *(Note 7)*	221	(175)	(51)	(717)	215
(Increase)/decrease in trade and notes receivables	(7,827)	(191,960)	(6,896)	8,410	(73,431)
(Increase)/decrease in prepayments, other receivables, other assets, contract assets and restricted bank deposits	(8,705)	113,448	(5,389)	35,647	41,783
(Increase)/decrease in inventories	(120,448)	(222,533)	130,570	(709)	(98,611)
(Decrease)/increase in trade and notes payables	(138,111)	(129,548)	(37,159)	(106,754)	28,706
Decrease/(increase) in financial assets at FVTOCI	6,201	(3,016)	(27,501)	(29,099)	(25,044)
Increase/(decrease) in other payables, accruals and provisions	332,020	445,412	21,966	(84,388)	(83,995)
Decrease in contract liabilities	(49,355)	(38,245)	(36,531)	(7,837)	(70,725)
Cash generated from operations	55,763	138,755	215,019	(86,601)	(150,677)
Income tax paid	(31,356)	(19,777)	(18,242)	(17,270)	(7,983)
Net cash flows generated from/(used in) operating activities	24,407	118,978	196,777	(103,871)	(158,660)
Investing activities					
Purchase of property, plant and equipment and right-of-use assets	(50,387)	(41,026)	(21,193)	(7,687)	(62,517)
Purchase of intangible assets	(227)	(1,214)	(693)	–	(100)
Proceeds from disposal of property, plant and equipment	4,519	5,271	740	3	743
Interest received	9,328	12,747	8,394	4,967	3,056
Dividends from associates	55,836	–	4,600	–	–
(Payments for)/proceeds from disposals of subsidiaries, net of cash disposed *(Note 47)*	(29,329)	35,112	–	–	1,025
Proceeds from disposals of subsidiaries in previous years	1,732	40,000	31,283	31,283	–
Payments for acquisition of subsidiaries, net of cash acquired *(Note 48)*	(13,763)	–	–	–	(115,246)
Proceeds from sale of financial assets at FVTPL	857,876	1,449,633	2,520,589	1,242,844	1,080,815
Purchase of financial assets at FVTPL	(746,148)	(1,579,562)	(2,396,647)	(1,169,156)	(1,022,020)
Purchase of financial assets at FVTOCI	–	–	–	–	(15,000)

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Proceeds from sale of financial assets at FVTOCI	–	–	–	–	16
Net cash flow generated from/(used in) investing activities	89,437	(79,039)	147,073	102,254	(129,228)
Financing activities					
Capital injection by non-controlling interests	7,680	1,286	–	–	–
Advance consideration from issue of shares	–	–	–	–	11,784
Proceeds from bank borrowings	391,222	270,643	76,713	28,202	147,031
Repayment of bank borrowings	(494,893)	(367,222)	(384,643)	(196,404)	(9,077)
Interest paid	(12,175)	(9,242)	(1,715)	(1,294)	(495)
Payment of lease liabilities	(19,530)	(11,487)	(12,954)	(6,020)	(5,152)
Dividends paid	–	(1,470)	(1,470)	–	(31,131)
Payment on repurchase of shares	–	(24,000)	–	–	–
Proceeds from maturity of pledged deposits	3,580	153,145	14,431	–	–
Payment of listing expenses	–	–	(5,208)	–	(10,030)
Net cash flows (used in)/generated from financing activities	(124,116)	11,653	(314,846)	(175,516)	102,930
Net (decrease)/increase in cash and cash equivalents	(10,272)	51,592	29,004	(177,133)	(184,958)
Cash and cash equivalents at beginning of year/period	378,235	367,426	419,018	419,018	448,022
Effect of foreign exchange rate changes, net	(537)	–	–	827	(300)
Cash and cash equivalents at end of year/period ***(Note 30)***	367,426	419,018	448,022	242,712	262,764

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was a limited liability company incorporated in the PRC on November 27, 2002 and changed to a joint stock company with limited liability on February 9, 2010. The Company's A shares are listed on Shenzhen Stock Exchange on May 25, 2011. The address of the Company's registered office and its principal place of business is Room 503, Building 1, No. 777 Sizhuan Road, Songjiang District, Shanghai City, China.

During the Track Record Period, the Company and its subsidiaries (together the "**Group**") are principally engaged in the research and development, production and sales of power equipment and energy storage and robots.

The Company has a diversified shareholder structure. Among them, as a natural person shareholder, Huang Mingsong holds approximately 21.84% of the Company's shares and is the largest individual shareholder of the Company. In this Historical Financial Information, certain English name of the companies referred herein represent the management's best effort to translate the Chinese name of the companies as no English name has been registered.

2. BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards ("**IFRSs**"), International Accounting Standards and Interpretations approved by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the 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 4.

The material accounting policy information that has been used in the preparation of this Historical Financial Information are disclosed in Note 3.2. These accounting policies have been consistently applied to all the periods presented in the Historical Financial Information, unless otherwise stated.

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2026, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The adoption of the IFRS Accounting Standards do not have any significant impact on the financial positions or results of the Group during the Track Record Period.

3.1 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not early adopted the following new and amended IFRS Accounting Standards which have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
IFRS 18	Presentation and Disclosure in Financial Statements[1]
IFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures[1]
Amendments to IAS 21	Translation to Hyperinflationary Presentation Currency[1]
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements[1]
IFRS 20	Regulatory Assets and Regulatory Liabilities[2]
Amendments to IAS 28	Fair value option for investments in associates and joint ventures[1]

1 Effective for accounting periods beginning on or after January 1, 2027

2 Effective for accounting periods beginning on or after January 1, 2029

3 Effective dates not yet determined

Except for new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the new amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance but has impact on presentation of the consolidated statements of comprehensive income.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set if activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, that it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Non-controlling interests ("NCI")

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's ownership interests in existing subsidiaries do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gain or losses) arising from intra-group transactions, are eliminated.

Interests in associates

An associate is an entity over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. 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. Interests in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company. 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.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at the end of the reporting period are recognized in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e., only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss. When a fair value gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income.

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the end of the reporting period. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognized in other comprehensive income and accumulated separately in the other comprehensive income reserve in equity.

Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are initially recognized at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management, including costs of testing whether the related assets are functioning properly). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values using the straight-line basis over their estimated useful lives as follow:

Properties and buildings	20-35 years
Machinery and equipment	10-12 years
Transportation equipment	5-8 years
Office and electronic equipment	3-5 years
Leasehold improvement	3-5 years

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each year/period for the Track Record Period.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Investment properties

Investment property is a property held to earn rentals and/or for capital appreciation.

Investment property is measured at cost, including any directly attributable expenditure. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

Subsequent to initial recognition, investment properties are stated at cost less any impairment losses and are amortized to their residual value on the straight-line basis over their estimated useful lives as follow:

Buildings	20-35 years
Land use rights	50 years

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognized.

Right-of-use assets

Accounting policies of right-of-use assets (other than prepaid land lease payments) are set out in "Leases" below.

Prepaid land lease payments (which meet the definition of right-of-use assets) represent the upfront payment for long-term land lease in which the payment can be reliably measured. It is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the term of the lease/right-of-use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of assets.

Intangible assets

Acquired intangible assets are recognized initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortization commences when the intangible assets are available for use. The useful lives are as follows:

Patent rights	5 years
Non-patented technologies	5 years
Software and others	5 years

The assets' amortization methods and useful lives are reviewed, and adjusted if appropriate, at the end of each year/period for the Track Record Period.

Intangible assets are tested for impairment as described in "Impairment of non-financial assets" below.

Research and development

Costs associated with research activities are expensed in profit or loss as they incur. Costs that are directly attributable to development activities are recognized as intangible assets provided they meet all of the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or know-how that meet the above recognition criteria are recognized as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

Goodwill

Goodwill is initially recognized at cost being the excess of the aggregate of consideration transferred, the amount recognized for non-controlling interests and the fair value of the Group's previously held equity interest in the acquiree over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the amount recognized for non-controlling interests and the fair value of the Group's previously held equity interest in the acquiree, the excess is recognized in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("**CGU**") that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, impairment loss is allocated to reduce the carrying amount of goodwill allocated to the unit first, and then to other assets of the unit on the pro-rata basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss and is not reversed in subsequent periods.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables and contract assets that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at FVTPL, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

– amortized cost;

– FVTPL; or

– FVTOCI.

The classification is determined by both:

– the Group's business model for managing the financial asset; and

– the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Debt instruments

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

– they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

– the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Interest income from these financial assets is included other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's restricted bank deposits, time deposits, cash and cash equivalents, trade and notes receivables, contract assets, other receivables fall into this category of financial instruments.

Financial assets at FVTOCI — recycling

If the contractual cash flows of the financial assets comprise solely payments of principal and interest and are held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, subsequent changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of expected credit loss ("**ECL**"), interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under IFRS 9 apply.

Equity instruments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income and accumulated in "other comprehensive income reserve" in equity. Such elections are made on an instrument-by-instrument basis but only be made if the investment meets the definition of equity from the issuer's perspective.

The equity instruments at FVTOCI are not subject to impairment assessment. The cumulative gain or loss in "other comprehensive income reserve" will not be reclassified to profit or loss upon disposal of the equity investments and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in "other income" in profit or loss.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognize ECL — the "ECL model". Instruments within the scope included cash and bank deposits, trade receivables, notes receivables, contract assets and other financial assets measured at amortized cost.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this general model approach, a distinction is made between:

– financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**"); and

– financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

"Stage 3" would cover financial assets that have objective evidence of impairment at the end of the reporting period.

"12-month ECL" are recognized for the Stage 1 category while "lifetime ECL" are recognized for the Stage 2 categories.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Cash and bank deposits

Cash and bank deposits are considered to have low credit risk because the counterparties are banks and have a low risk of default, and have a strong capacity to meet its contractual cash flow obligations in the near term. Cash and bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

Trade receivables and notes receivables

For trade receivables and notes receivables, the Group applies a simplified approach in calculating ECL and recognizes a loss allowance based on lifetime ECL at the end of each year/period for the Track Record Period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, except for trade and notes receivables with significant outstanding balances which are assessed individually, the remaining trade and notes receivables have been grouped based on shared credit risk characteristics.

For notes receivables measured at FVTOCI, the Group assumes that the credit risk on notes receivables measured at FVTOCI has not increased significantly since initial recognition if the notes receivables measured at FVTOCI is determined to have low credit risk at the end of each reporting period. Notes receivables measured at FVTOCI is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Other receivables and other financial assets measured at amortized cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of each year/period for the Track Record Period with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating,
- significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread and the credit default swap prices for the debtor;
- existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant in the credit risk since initial recognition of financial guarantee contracts.the Group considers the changes in the risk that the specified debtor will default on the contract.

Detailed analysis of the ECL assessment of trade receivables, other financial assets measured at amortized cost and notes receivables measured at FVTOCI are set out in Note 46.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and notes payables, contract liabilities, other payables and accruals, redemption liabilities, borrowings, and lease liabilities.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group classified or designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortized cost using the effective interest method except for derivatives which are not designated as hedging instruments in hedge relationships and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in finance costs or other income.

Accounting policies of lease liabilities are set out in "Leases" below.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings and bonds payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the Track Record Period.

Trade payables, other payables and accruals

Trade payables, other payables and accruals are recognized initially at their fair value and subsequently measured at amortized cost, using the effective interest method.

Contract assets and contract liabilities

Contract assets are recognized when the Group recognizes revenue before being unconditionally entitled to consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy and are reclassified to receivables when the right to the consideration has become unconditional.

Contract liabilities are recognized when the customer pays consideration before the Group recognizes the related revenue. Contract liabilities would also be recognized if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis. When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

Redemption liabilities

A contract that contains an obligation to repurchase the Group entities equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the entity's obligations to purchase is conditional on the counterparty exercising a right to redeem. The entity undertakes such redemption obligations as certain preferred rights are granted to the investors in the entity's financing process, such redemption obligation is recognized as financial liability initially at the present value of the redemption amount and subsequently measured at amortized cost with interest charged in finance costs.

The Group derecognizes redemption liabilities when, and only when, the redemption obligations are discharged, canceled or expired.

Inventories

Inventories are carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of semi-finished goods and finished goods, comprise direct materials, direct labor and an appropriate proportion of overheads.

Cash and cash equivalents

Cash and cash equivalents include cash and cash in bank, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 29.

Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these leases are recognized as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of each year/period for the Track Record Period and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling that contract).

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognized at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognized at the higher of the amount initially recognized, less accumulated amortization where appropriate, and the amount that would be recognized in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

Share capital and share premium

Share capital are classified as equity. Share capital is recognized at the amount of consideration of shares issued, after deducting any transaction costs associated with the issue of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

Revenue recognition

Revenue mainly arises from power equipment and energy storage and robots. The power equipment and energy storage business primarily provides power distribution and consumption products and solutions, along with energy storage system products. The robots provide intelligent robotics solutions, including manipulators, inspection robots, and stackers.

To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognizing revenue when or as performance obligations are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from sale of goods

Revenue from sale of goods between the Group and its customers generally only includes a performance obligation for the transfer of goods, which is recognized when the performance obligation has been satisfied at a point in time.

Hardware products

For products not requiring installation and commissioning, revenue is recognized based on the contract amount, net of VAT, once the goods are delivered to the customer's premises, accepted and qualified by the customer, and the Group obtains the customer's signed receipt documents.

For products requiring installation and commissioning, revenue is recognized based on the contract amount, net of VAT, following the satisfactory installation and commissioning. This recognition occurs upon receipt of the "acceptance certificate" signed by the customer or other valid documents, verifying the success of the installation and commissioning.

Software products

The Group recognizes revenue when the significant risks and rewards of ownership of the right to use are transferred to the customer, the Group ceases to exercise continuous management rights or practical control over the right to use, relevant revenue is received or evidence of collection is obtained, and the costs associated with the sale of the software product can be reliably measured.

If the sales contract stipulates that installation and acceptance are required, revenue is recognized upon obtaining the customer's installation and acceptance report. Conversely, if the sales contract does not specify the need for installation and acceptance, revenue is recognized upon receipt of the goods arrival acceptance certificate.

For domestic sale of goods, revenue is recognized when the Group has delivered the products as stipulated in the contract and the customer has accepted the goods; it is probable that related economic benefits will flow to the Group; the significant risks and rewards of ownership of the goods have been transferred.

For overseas sale of goods, revenue is recognized when the Company has obtained export-related documents, such as the customs declaration form, following the completing of export customs clearance; it is probable that related economic benefits will flow to the Group; the significant risks and rewards of ownership of the goods have been transferred.

Revenue from power distribution and consumption automation projects

When the outcome of a contract can be reliably estimated, contract revenue and contract costs are recognized based on the percentage-of-completion method.

The percentage-of-completion method recognizes revenue and expenses based on the progress of contract completion. The progress of contract completion is determined by the ratio of cumulative actual contract costs incurred to the estimated total contract costs.

If the outcome of a contract cannot be reliably estimated, but it is expected that contract costs can be recovered, contract revenue is recognized based on the actual contract costs that can be recovered, and contract costs are recognized as contract expenses in the period in which they are incurred; if it is expected that contract costs cannot be recovered, such costs are immediately recognized as contract expenses when incurred, and no contract revenue is recognized.

If the estimated total contract costs exceed the total contract revenue, the expected loss is recognized as an expense in the current period.

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income and is released to the consolidated statements of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

Impairment of non-financial assets

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Investment properties;
- Goodwill;
- Right-of-use assets; and
- The Company's investments in subsidiaries and the Group's interests in associates.

Assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognized as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. 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 assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Impairment losses recognized for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Employee benefits

Short-term employee benefits

Salaries, discretionary bonuses, paid annual leave and the cost of non-monetary benefits are accrued and recognized in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Pension scheme

Retirement benefits to employees are provided through defined contribution plans. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. Contributions are recognized as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plans. The Group contributes on a monthly basis to these plans based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these plans is limited to the contributions payable in each year/period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

Share-based compensation

The Group operates share-based compensation plans for remuneration of its employees including share incentive plans.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based compensation is recognized as an expense in profit or loss over the vesting period if vesting conditions apply, or recognized as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the "capital reserve" in equity. If vesting conditions apply, the expense is recognized over the vesting period based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognized in the current period.

Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalized as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Accounting for income taxes

Income tax comprises current tax and deferred income tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred income tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and interests in associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in IAS 12 to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred income tax liability for all taxable temporary differences.

Deferred income tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realized, provided they are enacted or substantively enacted at the end of each year/period for the Track Record Period.

Changes in deferred tax assets or liabilities are recognized in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognized amounts; and

(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group presents deferred tax assets and deferred income tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred income tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of financial assets and contract assets

The loss allowances for financial assets and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment 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 year/period for the Track Record Period. Details of the key assumptions and inputs used are disclosed in the tables in Note 46.

Inventory provision for impairment

The Group measures the inventory at the lower of cost and net realizable value, and makes inventory provision for the obsolete inventory, slow-moving inventory and the inventory of which the cost is higher than their net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory impairment loss predicted to occur and provided allowance for impairment, the impairment assessment may still be significantly changed due to the change of market situation.

Fair value measurement of financial assets at level 3 fair value hierarchy

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets at level 3 fair value hierarchy are disclosed in the tables in Note 45.

Income taxes and deferred income taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognizes deferred tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

Provisions

Provision was made for estimated warranty claims in respect of products sold which were still under retention period. The amount of the provision for the warranties is estimated based on the best estimate of the expenditure required to fulfill the relevant current obligation. Any increase or decrease in the provision would affect profit or loss in current and future years.

Recognition of share-based payment expenses

Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the significant input of expected life of the share incentive granted, expected volatility, and risk-free rate and making assumptions about them.

For the measurement of the fair value of share-based payment transactions with employees at the grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 38.

5. REVENUE AND SEGMENT INFORMATION

The Group's principal activities are disclosed in Note 1 to the Historical Financial Information.

Disaggregated revenue information

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Types of products or service					
– Power Equipment and Energy Storage	2,000,676	2,101,174	2,314,292	979,362	1,150,914
– Robots	1,023,862	585,641	700,822	343,701	372,892
	3,024,538	2,686,815	3,015,114	1,323,063	1,523,806
Timing of revenue recognized					
– Point in time	2,964,037	2,609,710	2,944,035	1,300,261	1,499,934
– Over time	60,501	77,105	71,079	22,802	23,872
	3,024,538	2,686,815	3,015,114	1,323,063	1,523,806

Segment information

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

– Power Equipment and Energy Storage: Applies smart power distribution, energy storage systems, and digital technologies to deliver integrated solutions for efficient energy management. Its product portfolio includes primary-secondary circuit breakers, energy storage systems, photovoltaic-storage integration, ring main units, and distribution automation terminals (FTU/DTU), serving smart grid modernization and renewable energy integration needs. Revenue from this segment comprises both sale of goods which are recognised at point in time and revenue from power distribution and consumption automation projects which are recognised over time.

– Robots: Integrates industrial robotics technology and automation systems to provide functional equipment such as industrial manipulators, stackers (including SRM stackers for lithium battery applications), and inspection robots, enabling intelligent manufacturing and material handling for industries including new energy, automotive, and rail transit. Revenue from this segment comprise sale of goods (functional equipment) which are recognised at point in time.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment gross profit and profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that interest income, non-lease-related finance costs, investment income from financial assets at FVTPL, disposal gain on financial assets at FVTPL, fair value gains/losses on financial assets at FVTPL as well as head office and corporate expenses are excluded from such measurement. The senior executive management does not evaluate operating segments using asset or liability information.

Year ended December 31, 2023	Power Equipment and Energy Storage	Robots	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue			
Sales to external customers	2,000,676	1,023,862	3,024,538
Intersegment sales	682,682	–	682,682
Total segment revenue	2,683,358	1,023,862	3,707,220
Reconciliation:			
Elimination of intersegment sales			(682,682)
Revenue from continuing operations			3,024,538
Segment results	(51,600)	(63,848)	(115,448)
Reconciliation:			–
Elimination of intersegment results			–
Interest income			5,809
Gains on disposal of financial assets at FVTPL			3,519
Fair value gains/losses on financial assets at FVTPL			496
Corporate and other unallocated expenses			(11,634)
Finance costs (other than interest on lease liabilities)			(23,163)
Loss before tax from continuing operations			(140,421)
Other segment information			
Share of results of associates, net	3,696	(6,297)	(2,601)
Impairment losses recognised in the statement of profit or loss, net	3,508	(15,054)	(11,546)
Other non-cash expenses	(41,943)	(33,441)	(75,384)
Depreciation and amortisation	(30,651)	(44,275)	(74,926)
Investments in associates	122,123	217,868	339,991
Capital expenditure	(12,504)	(38,110)	(50,614)

Year ended December 31, 2024	Power Equipment and Energy Storage	Robots	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue			
Sales to external customers	2,101,174	585,641	2,686,815
Intersegment sales	513,952	–	513,952
Total segment revenue	2,615,126	585,641	3,200,767
Reconciliation:			
Elimination of intersegment sales			(513,952)
Revenue from continuing operations			2,686,815
Segment results	74,768	14,738	89,506
Reconciliation:			
Elimination of intersegment results			–
Interest income			7,497
Gains on disposal of financial assets at FVTPL			5,250
Fair value gains/losses on financial assets at FVTPL			(464)
Corporate and other unallocated expenses			(11,905)
Finance costs (other than interest on lease liabilities)			(14,508)
Profit before tax from continuing operations			75,376
Other segment information			
Share of results of associates, net	5,717	(553)	5,164
Impairment losses recognised in the statement of profit or loss, net	(29,119)	12,542	(16,577)
Other non-cash expenses	(18,779)	(9,814)	(28,593)
Depreciation and amortisation	(28,950)	(28,012)	(56,962)
Investments in associates	155,341	216,345	371,686
Capital expenditure	(25,086)	(17,154)	(42,240)

Year ended December 31, 2025	Power Equipment and Energy Storage	Robots	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue			
Sales to external customers	2,314,292	700,822	3,015,114
Intersegment sales	590,801	–	590,801
Total segment revenue	2,905,093	700,822	3,605,915
Reconciliation:			
Elimination of intersegment sales			(590,801)
Revenue from continuing operations			3,015,114
Segment results	89,509	13,740	103,249
Reconciliation:			
Elimination of intersegment results			–
Interest income			2,958
Gains on disposal of financial assets at FVTPL			5,887
Fair value gains/losses on financial assets at FVTPL			858
Corporate and other unallocated expenses			(18,922)
Finance costs (other than interest on lease liabilities)			(5,454)
Profit before tax from continuing operations			88,576

Year ended December 31, 2025	Power Equipment and Energy Storage	Robots	Total
	RMB'000	*RMB'000*	*RMB'000*
Other segment information			
Share of results of associates, net	10,146	(9,080)	1,066
Impairment losses recognised in the statement of profit or loss, net	(13,330)	8,353	(4,977)
Other non-cash expenses	(7,887)	(3,824)	(11,711)
Depreciation and amortisation	(29,219)	(27,729)	(56,948)
Investments in associates	161,302	198,310	359,612
Capital expenditure	(14,762)	(7,124)	(21,886)

Six months ended June 30, 2026	Power Equipment and Energy Storage	Robots	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue			
Sales to external customers	1,150,914	372,892	1,523,806
Intersegment sales	177,066	–	177,066
Total segment revenue	1,327,980	372,892	1,700,872
Reconciliation:			
Elimination of intersegment sales			(177,066)
Revenue from continuing operations			1,523,806
Segment results	109,761	38,259	148,020
Reconciliation:			
Elimination of intersegment results			–
Interest income			989
Gains on disposal of financial assets at FVTPL			2,067
Fair value gains/losses on financial assets at FVTPL			173
Corporate and other unallocated expenses			(26,678)
Finance costs (other than interest on lease liabilities)			(2,703)
Profit before tax from continuing operations			121,868
Other segment information			
Share of results of associates, net	(2,964)	(3,692)	(6,656)
Reversal of impairment losses recognised in the statement of profit or loss, net	3,869	7,367	11,236
Other non-cash income/(expenses)	337	(2,804)	(2,467)
Depreciation and amortisation	(15,667)	(15,585)	(31,252)
Investments in associates	172,832	195,119	367,951
Capital expenditure	(2,188)	(60,929)	(63,117)

Six months ended June 30, 2025	Power Equipment and Energy Storage	Robots	Total
	RMB'000 (unaudited)	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Segment revenue			
Sales to external customers	979,362	343,701	1,323,063
Intersegment sales	197,342	–	197,342
Total segment revenue	1,176,704	343,701	1,520,405
Reconciliation:			
Elimination of intersegment sales			(197,342)
Revenue from continuing operations			1,323,063

Six months ended June 30, 2025	Power Equipment and Energy Storage	Robots	Total
	RMB'000 (unaudited)	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Segment results	71,402	14,204	85,606
Reconciliation:			
Elimination of intersegment results			–
Interest income			1,875
Gains on disposal of financial assets at FVTPL			2,591
Fair value gains/losses on financial assets at FVTPL			502
Corporate and other unallocated expenses			(2,953)
Finance costs (other than interest on lease liabilities)			(2,894)
Profit before tax from continuing operations			84,727
Other segment information			
Share of results of associates, net	8,810	(6,731)	2,079
Reversal of impairment losses recognised in the statement of profit or loss, net	2,166	7,517	9,683
Other non-cash expenses	(1,134)	(1,141)	(2,275)
Depreciation and amortisation	(9,720)	(19,990)	(29,710)
Investments in associates	164,501	208,545	373,046
Capital expenditure	(5,150)	(2,537)	(7,687)

	Year ended December 31, 2023,					
	RMB'000 Point in time	*RMB'000 Over time*	*RMB'000 Elimination*	*RMB'000 Total*	*RMB'000 Cost of sales*	*RMB'000 Gross profit*
– Power Equipment and Energy Storage	2,622,857	60,501	(682,682)	2,000,676	1,576,237	424,439
– Robots	1,023,862	–	–	1,023,862	819,839	204,023
	3,646,719	60,501	(682,682)	3,024,538	2,396,076	628,462

	Year ended December 31, 2024,					
	RMB'000 Point in time	*RMB'000 Over time*	*RMB'000 Elimination*	*RMB'000 Total*	*RMB'000 Cost of sales*	*RMB'000 Gross profit*
– Power Equipment and Energy Storage	2,538,021	77,105	(513,952)	2,101,174	1,630,205	470,969
– Robots	585,641	–	–	585,641	416,990	168,651
	3,123,662	77,105	(513,952)	2,686,815	2,047,195	639,620

	Year ended December 31, 2025,					
	RMB'000 Point in time	*RMB'000 Over time*	*RMB'000 Elimination*	*RMB'000 Total*	*RMB'000 Cost of sales*	*RMB'000 Gross profit*
– Power Equipment and Energy Storage	2,834,014	71,079	(590,801)	2,314,292	1,809,380	504,912
– Robots	700,822	–	–	700,822	540,067	160,755
	3,534,836	71,079	(590,801)	3,015,114	2,349,447	665,667

	Six months ended June 30, 2026					
	RMB'000 *Point in time*	*RMB'000* *Over time*	*RMB'000* *Elimination*	*RMB'000* *Total*	*RMB'000* *Cost of sales*	*RMB'000* *Gross profit*
– Power Equipment and Energy Storage	1,304,108	23,872	(177,066)	1,150,914	865,658	285,256
– Robots	372,892	–	–	372,892	279,245	93,647
	1,677,000	23,872	(177,066)	1,523,806	1,144,903	378,903

	Six months ended June 30, 2025					
	RMB'000 *(unaudited)* *Point in time*	*RMB'000* *(unaudited)* *Over time*	*RMB'000* *(unaudited)* *Elimination*	*RMB'000* *(unaudited)* *Total*	*RMB'000* *(unaudited)* *Cost of sales*	*RMB'000* *(unaudited)* *Gross profit*
– Power Equipment and Energy Storage	1,153,902	22,802	(197,342)	979,362	752,269	227,093
– Robots	343,701	–	–	343,701	253,434	90,267
	1,497,603	22,802	(197,342)	1,323,063	1,005,703	317,360

Performance obligations

Information about the Group's performance obligations is summarised below:

1. Revenue from sale of goods

The performance obligation is satisfied at a point in time upon transfer of control of the goods to the customer, with payment generally due within 30 to 90 days after satisfaction, except for new customers who are normally required to pay in advance.

2. Revenue from power distribution and consumption automation projects

The performance obligation is satisfied over time as services are rendered and payment is generally due in line with milestone completion and customer acceptance, except for new customers where payment in advance is normally required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	As at December 31,			As at June 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts expected to be recognised as revenue:				
Within one year	1,729,204	2,132,700	1,411,561	1,773,307
After one year	639,684	520,496	267,168	242,809
Total	2,368,888	2,653,196	1,678,729	2,016,116

The amounts disclosed above do not include variable consideration which is constrained.

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers based on the geographical location of customers to which the goods are delivered.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from external customers					
– Chinese Mainland	3,013,717	2,657,844	2,949,596	1,309,384	1,504,378
– Other countries/regions	10,821	28,971	65,518	13,679	19,428
	3,024,538	2,686,815	3,015,114	1,323,063	1,523,806

The geographical location of the Group's non-current assets (excluding deferred tax assets, financial assets, contract assets and interests in associates), mainly comprised of the property, plant and equipment and right-of-use assets, is based on the location of these assets. As at the end of each reporting period, the geographical location of the Group's non-current assets are all in Chinese Mainland.

Information about major customers

Revenue derived from customers individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Customer A	710,587	867,002	1,031,787	461,306	525,167

The group of entities under common control of a reporting entity are considered as a single customer.

6. OTHER INCOME

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Government grants *(Note)*	47,594	40,340	45,595	23,184	14,644
Rental and service fee income	15,608	26,338	10,441	9,291	8,829
Amortization of deferred government grants	9,174	9,381	9,491	6,828	24,495
Interest income	5,809	7,497	2,958	1,875	989
Sales of spare parts	260	1,984	2,802	1,934	2,723
Others	1,657	3,108	2,359	1,399	1,160
	80,102	88,648	73,646	44,511	52,840

Note:

During the Track Record Period, government grants have no unfulfilled condition or contingencies.

7. OTHER GAINS AND LOSSES, NET

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Gains on dilution of interests in associates *(Note)*	–	–	–	–	14,495
Gains on disposal of financial assets at FVTPL	3,519	5,250	5,887	2,591	2,067
Fair value gains/(losses) on financial assets at FVTPL	496	(464)	858	502	173
Gains from debt forgiveness of accounts payable	1,720	1,986	498	–	–
Foreign exchange (losses)/gains	(221)	175	51	717	(215)
Net (losses)/gains on disposals of subsidiaries	(7,691)	9,329	–	–	2,817
Gains/(losses) from negotiated partial recovery of accounts receivables	431	(4,879)	(878)	(1,945)	(527)
Net (losses)/gains on disposal of property, plant and equipment and other assets	(934)	(3,066)	(270)	–	3
Others	865	(552)	784	986	(445)
	(1,815)	7,779	6,930	2,851	18,368

Note:

For the six months ended June 30, 2026, Hefei Soongo Technology Corp., Ltd. (formerly known as CSG Intelligent (Hefei) Technology Co., Ltd.), an associate of the Group, completed a private placement of new shares to external investors, resulting in a dilution of the Group's equity interest from 18% to 16.83% (the "Dilution"). As the Group continues to have significant influence over the associate through representation on its board of directors, the investment remains accounted for as an associate. The Dilution was accounted for as a deemed partial disposal, and the difference of approximately RMB14,495,000 between the Group's share of the associate's net assets and the carrying amount attributable to the deemed disposed portion was recognised as a gain on dilution of interests in an associate.

8. EXPENSES BY NATURE

Expenses included in cost of sales, research and development expenses, general and administrative expenses and selling expenses are analyzed as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Changes in semi-finished goods and work in progress, contract fulfillment costs and finished goods	(122,890)	(211,386)	172,026	19,200	(85,953)
Raw materials consumed	2,140,769	1,973,159	1,904,160	847,881	1,083,400
Employee benefit expenses *(Note 9)*	495,998	399,329	413,696	188,493	229,184
Service and warranty fees	321,031	249,803	259,561	117,327	111,569
Depreciation of property, plant and equipment *(Note 14)*	35,656	30,679	30,561	15,174	16,883
Amortisation of intangible assets *(Note 16)*	12,540	3,382	2,146	1,335	761
Depreciation of right-of-use assets *(Note 15)*	16,660	12,766	13,528	7,759	8,258
Business entertainment expenses	44,960	43,682	43,524	18,588	16,838
Market development expenses	49,852	34,687	41,543	17,893	18,963
Provision for impairment of inventories	74,888	28,129	12,569	2,778	2,641
Auditor's remuneration	1,934	1,509	1,708	1,509	1,698
Consultancy and service fees	21,226	16,269	9,444	4,666	4,493
Listing expense	–	–	971	–	138
Lease expenses *(Note 15)*	1,509	1,930	4,269	3,292	2,259
Tax and surcharges	19,594	20,803	19,621	9,493	10,710
Others	90,937	76,694	67,606	38,828	52,670
	3,204,664	2,681,435	2,996,933	1,294,216	1,474,512

9. EMPLOYEE BENEFIT EXPENSES

(a) Employee benefit expenses are analyzed as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Wages, salaries, bonuses and other benefits in kind	447,803	363,989	358,616	172,737	189,602
Retirement scheme contributions	32,511	26,607	25,571	13,484	17,584
Termination benefits	8,604	7,608	3,727	2,272	1,456
Share-based payment expenses *(Note 38)*	7,080	1,125	25,782	–	20,542
	495,998	399,329	413,696	188,493	229,184

(b) Directors' and supervisors' emoluments

Directors' and supervisors' emoluments for the Track Record Period, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Fees	Salaries, allowances, discretionary bonuses, benefits in kind	Retirement scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023					
Executive directors					
Mr. Huang Mingsong *(Note (a))*	–	1,433	68	–	1,501
Ms. Wang Tingting	–	1,373	68	–	1,441
Ms. Ren Xueyan	–	663	68	–	731
Mr. Jiang Yaodong *(Note (b))*	–	–	–	–	–
Independent non-executive directors					
Mr. Chen Xiaoman *(Note (g))*	67	–	–	–	67
Mr. Lv Yongjun *(Note (h))*	67	–	–	–	67
Ms. Lu Xianrong *(Note (m))*	67	–	–	–	67
Supervisors					
Mr. Xu Congwei *(Note (i))*	67	–	–	–	67
Mr. Yao Xiang *(Note (j))*	–	489	59	–	548
Ms. Li Bei *(Note (k))*	–	385	48	–	433
Year ended December 31, 2024					
Executive directors					
Mr. Huang Mingsong *(Note (a))*	–	1,621	72	–	1,693
Ms. Wang Tingting	–	1,671	70	–	1,741
Ms. Ren Xueyan	–	746	70	–	816
Mr. Jiang Yaodong *(Note (b))*	–	–	–	–	–
Mr. Cheng Yan *(Note (c))*	–	–	–	–	–
Independent non-executive directors					
Ms. Lu Xianrong *(Note (m))*	67	–	–	–	67
Mr. Chen Xiaoman *(Note (g))*	67	–	–	–	67
Mr. Lv Yongjun (Note (h))	67	–	–	–	67
Supervisors					
Mr. Xu Congwei *(Note (i))*	67	–	–	–	67
Mr. Yao Xiang (Note (j))	–	563	70	–	633
Ms. Li Bei (Note (k))	–	427	84	–	511

	Fees	Salaries, allowances, discretionary bonuses, benefits in kind	Retirement scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2025					
Executive directors					
Mr. Huang Mingsong *(Note (a))*	–	1,723	74	–	1,797
Ms. Wang Tingting	–	1,733	74	1,701	3,508
Ms. Ren Xueyan	–	823	74	1,440	2,337
Mr. Cheng Yan *(Note (c))*	–	–	–	–	–
Non-executive directors					
Ms. Zhang Li *(Note (d))*	–	–	–	–	–
Independent non-executive directors					
Mr. Li Ao *(Note (e))*	62	–	–	–	62
Ms. Wang Qing *(Note (f))*	62	–	–	–	62
Ms. Lu Xianrong *(Note (m))*	62	–	–	–	62
Mr. Chen Xiaoman *(Note (g))*	45	–	–	–	45
Mr. Lv Yongjun *(Note (h))*	6	–	–	–	6
Mr. Zhang Yuhao *(Note (l))*	6	–	–	–	6
Supervisors					
Mr. Xu Congwei *(Note (i))*	6	–	–	–	6
Mr. Chen Xiaoman *(Note (g))*	45	–	–	–	45
Mr. Yao Xiang *(Note (j))*	–	300	47	–	347
Ms. Li Bei *(Note (k))*	–	213	37	–	250
Six months ended June 30, 2025					
Executive directors					
Mr. Huang Mingsong *(Note (a))*	–	537	37	–	574
Ms. Wang Tingting	–	537	37	–	574
Ms. Ren Xueyan	–	269	37	–	306
Mr. Cheng Yan *(Note (c))*	–	–	–	–	–
Non-executive directors					
Ms. Zhang Li *(Note (d))*	–	–	–	–	–
Independent non-executive directors					
Mr. Li Ao *(Note (e))*	28	–	–	–	28
Ms. Wang Qing *(Note (f))*	28	–	–	–	28
Ms. Lu Xianrong *(Note (m))*	34	–	–	–	34
Mr. Chen Xiaoman *(Note (g))*	34	–	–	–	34
Mr. Lv Yongjun *(Note (h))*	6	–	–	–	6
Supervisors					
Mr. Xu Congwei *(Note (i))*	6	–	–	–	6
Mr. Chen Xiaoman *(Note (g))*	34	–	–	–	34
Mr. Yao Xiang *(Note (j))*	–	223	35	–	258
Ms. Li Bei *(Note (k))*	–	160	28	–	188
Six months ended June 30, 2026					
Executive directors					
Mr. Huang Mingsong *(Note (a))*	–	537	37	–	574
Ms. Wang Tingting	–	537	37	1,356	1,930
Ms. Ren Xueyan	–	277	37	1,147	1,461
Non-executive directors					
Ms. Zhang Li *(Note (d))*	–	–	–	–	–
Independent non-executive directors					
Mr. Li Ao *(Note (e))*	34	–	–	–	34
Ms. Wang Qing *(Note (f))*	34	–	–	–	34
Mr. Zhang Yuhao *(Note (l))*	34	–	–	–	34

Notes:

(a) Mr. Huang Mingsong is the Chairman of the Company.

(b) Mr. Jiang Yaodong resigned as an executive director of the Company upon expiry of his term of office on April 19, 2024.

(c) Mr. Cheng Yan was appointed as an executive director of the Company on May 17, 2024, and resigned as an executive director of the Company on March 28, 2025.

(d) Ms. Zhang Li was appointed as a non-executive director of the Company on May 16, 2025.

(e) Mr. Li Ao was appointed as an independent non-executive director of the Company on January 24, 2025.

(f) Ms. Wang Qing was appointed as an independent non-executive director of the Company on January 24, 2025.

(g) Mr. Chen Xiaoman resigned as an independent non-executive director of the Company on January 24, 2025 and was appointed as a supervisor of the Company on January 24, 2025, and resigned as a supervisor of the Company upon expiry of his term of office on September 12, 2025.

(h) Mr. Lv Yongjun resigned as an independent non-executive director of the Company on January 24, 2025.

(i) Mr. Xu Congwei resigned as a supervisor of the Company on January 24, 2025.

(j) Mr. Yao Xiang resigned as a supervisor of the Company upon expiry of his term of office on September 12, 2025.

(k) Ms. Li Bei resigned as a supervisor of the Company upon expiry of her term of office on September 12, 2025.

(l) Mr. Zhang Yuhao was appointed as an independent non-executive director of the Company on December 19, 2025.

(m) Ms. Lu Xianrong resigned as an independent non-executive director of the Company on December 19, 2025.

(n) Fees, salaries, allowances and benefits in kind paid to or for the executive directors and independent non-executive directors of the Company and supervisors are generally emoluments paid or receivable in respect of services in connection with the management of the affairs of the Company and its subsidiaries.

(o) There was no arrangement under which directors and supervisors waived or agreed to waive any remuneration during the Track Record Period. No emolument was paid by the Group to the directors of the Company and supervisors as an inducement to join or upon joining the Group or as compensation for loss of office during the Track Record Period.

(c) Five highest paid individuals

During the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, the five highest paid individuals included 2, 2, 2, 2 (unaudited) and 2 directors, respectively, whose emoluments are reflected in Note 9(b) above. The aggregate emoluments payable to the remaining 3, 3, 3, 3 (unaudited) and 3 individuals during the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026 are as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	2,630	2,894	3,257	1,023	1,065
Share-based compensation	337	450	2,879	–	3,024
	2,967	3,344	6,136	1,023	4,089

The discretionary bonus is determined by reference to individual performance of the employees and approved by the management of the Group. The emoluments of the remaining highest paid individuals fell within the following bands:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
HK$1-HK$500,000	–	–	–	3	–
HK$500,001-HK$1,000,000	1	1	–	–	–
HK$1,000,001-HK$1,500,000	2	1	1	–	1
HK$1,500,001-HK$2,000,000	–	1	–	–	2
HK$2,000,001-HK$2,500,000	–	–	–	–	–
HK$2,500,001-HK$3,000,000	–	–	2	–	–
	3	3	3	3	3

10. FINANCE COSTS

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest expense on borrowings	12,175	9,242	1,715	1,294	508
Interest expense on redemption liability of non-controlling interests	2,800	2,800	2,800	1,400	1,400
Interest expense on lease liabilities	1,272	510	816	350	511
Interest expense on notes discounting	8,188	2,466	939	200	795
	24,435	15,018	6,270	3,244	3,214

11. INCOME TAX EXPENSES

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Current income tax	27,592	17,629	9,487	6,060	14,158
Deferred income tax *(Note 27)*	2,704	(3,821)	(6,576)	(619)	(3,529)
	30,296	13,808	2,911	5,441	10,629

Taxes on profits assessable have been calculated at the rate of tax prevailing in the jurisdictions in which relevant entities operate.

(a) PRC Enterprise Income Tax ("EIT")

Under the PRC Enterprise Income Tax Law and the respective regulations, the EIT for the Company and its subsidiaries are calculated at a statutory rate of 25%, on their estimated taxable profits for the year based on the existing legislations, interpretations and practices in respect thereof.

Pursuant to the relevant laws and regulations in the PRC and with approval from the tax authorities in charge, the Company, together with its subsidiaries, Hefei CSG Intelligent Robot Technology Co., Ltd. and Shanghai Yongqian M&E Co., Ltd., are qualified as "High and New Technology Enterprises (HNTE)" and are therefore entitled to a preferential EIT rate of 15% from 2021 to 2023 and from 2024 to 2026, through successive three-year valid certifications.

The subsidiaries, Yantai CSG Zhengxin Electric Co., Ltd., Wuhan Yongqian Automation Co., Ltd., Shanghai Yingtong (YT) Electric Co., Ltd., CSG Digital (Shanghai) Energy Technology Co., Ltd. and other certain subsidiaries, are qualified as "High and New Technology Enterprises (HNTE)" and are therefore entitled to a preferential EIT rate of 15% from 2023 to 2025.

The subsidiaries, CSG Smart Electrical Technology Co., Ltd. and Shenzhen HW Automation Equipment Co., Ltd. are qualified as "High and New Technology Enterprises (HNTE)" and are therefore entitled to a preferential EIT rate of 15% from 2022 to 2024 and from 2025 to 2027, through successive three-year valid certifications.

(b) Corporate income tax in other jurisdictions

Taxation for other overseas subsidiaries are charged at the appropriate current rates of taxation ruling in the relevant countries.

Reconciliation between the income tax expenses and profit/loss before income tax in the consolidated statements of comprehensive income is as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
(Loss)/Profit before income tax	(140,421)	75,376	88,576	84,727	121,868
Tax at the preferential tax rate of 15%	(21,063)	11,306	13,286	12,709	18,280
Tax effect of					
– different tax rates of the subsidiaries	(5,683)	(821)	(631)	(15)	1,660
– non-deductible expenses	28,137	7,219	7,341	3,047	1,889
– deductible temporary differences and tax losses not recognised	61,577	16,434	12,536	3,820	7,616
– utilization of temporary differences and tax losses previously not recognised	–	(760)	(4,436)	(2,415)	(1,041)
– adjustments in respect of current tax of previous periods	2,878	440	426	(48)	12
– additional deduction of research and development expense	(35,550)	(21,651)	(25,611)	(12,236)	(15,748)
– others	–	1,641	–	579	(2,039)
Income tax expense	30,296	13,808	2,911	5,441	10,629

12. DIVIDENDS

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Final dividends	–	1,470	1,470	–	31,131

No dividends have been paid or declared by the Company during the years ended December 31, 2023, 2024, 2025, and six months ended June 30, 2025 (unaudited). Dividends of RMB1,470,000 and RMB1,470,000 were paid by the subsidiary of the Company to non-controlling shareholders during the years ended December 31, 2024 and 2025, respectively. The final dividend in respect of the year ended December 31, 2025 was RMB0.40 (tax inclusive) for every 10 shares, with a total amount of approximately RMB31,131,000, which was approved at the Annual General Meeting of the Company held on April 10, 2026. The final dividend was paid on April 21, 2026.

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding treasury shares held for share schemes as these not considered outstanding for (loss)/earnings per share calculation purposes.

The following table illustrates the earnings and shares information used in the calculation of basic (loss)/earnings per share:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
(Loss)/profit attributable to owners of the Company used in calculation basic (loss)/earnings per share (RMB'000)	(127,830)	70,035	80,773	76,805	108,305
Weighted average number of ordinary shares in issue (thousand shares)	780,242	780,161	778,281	778,281	778,281
Basic (loss)/earnings per share (RMB per share)	(0.16)	0.09	0.10	0.10	0.14

(b) Diluted (loss)/earnings per share

The Group had no potentially dilutive ordinary shares in issue for the years ended December 31, 2023 and 2024. For the year ended December 31, 2025 and the six months ended June 30, 2026, the share schemes granted by the Company have potentially dilutive effect on the earnings per share. Diluted (loss)/earnings per share. is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potentially dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted (loss)/earnings per share).

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
(Loss)/profit attributable to owners of the Company used in calculating diluted (loss)/earnings per share (RMB'000)	(127,830)	70,035	80,773	76,805	108,305
Weighted average number of ordinary shares in issue (thousand shares)	780,242	780,161	778,281	778,281	778,281
Weighted average number of ordinary shares used in calculation diluted (loss)/earnings per share (thousand shares)	780,242	780,161	786,523	778,281	797,981
Diluted (loss)/earnings per share (RMB per share)	(0.16)	0.09	0.10	0.10	0.14

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Properties and buildings	Machinery and equipment	Transportation equipment	Office and electronic equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023							
Cost	314,150	111,303	14,016	85,971	1,979	17,090	544,509
Accumulated depreciation	(58,301)	(48,383)	(12,279)	(55,263)	–	(7,812)	(182,038)
Accumulated impairment	–	(1,868)	–	(162)	–	–	(2,030)
Net carrying amount	255,849	61,052	1,737	30,546	1,979	9,278	360,441
Year ended December 31, 2023							
Opening net carrying amount	255,849	61,052	1,737	30,546	1,979	9,278	360,441
Additions	2,699	10,936	1,948	27,359	702	7,968	51,612
Acquisition of subsidiaries *(Note 48)*	–	401	48	352	–	3,278	4,079
Disposal of subsidiaries *(Note 47)*	–	(5,505)	(660)	(386)	–	(487)	(7,038)
Disposals	(1,659)	(1,873)	(822)	(2,290)	–	–	(6,644)
Depreciation	(6,874)	(9,706)	(550)	(13,773)	–	(4,753)	(35,656)
Transfer	–	1,226	–	941	(2,167)	–	–
Closing net carrying amount	250,015	56,531	1,701	42,749	514	15,284	366,794
As at December 31, 2023							
Cost	314,932	106,445	11,776	106,659	514	27,046	567,372
Accumulated depreciation	(64,917)	(49,267)	(10,075)	(63,833)	–	(11,762)	(199,854)
Accumulated impairment	–	(647)	–	(77)	–	–	(724)
Net carrying amount	250,015	56,531	1,701	42,749	514	15,284	366,794
Year ended December 31, 2024							
Opening net carrying amount	250,015	56,531	1,701	42,749	514	15,284	366,794
Additions	–	9,674	267	12,588	5,557	780	28,866
Disposal of subsidiaries *(Note 47)*	(2,602)	(8,976)	(245)	(10,199)	(395)	(2,440)	(24,857)
Disposals	–	(250)	(12)	(3,115)	(119)	–	(3,496)
Depreciation	(7,825)	(6,549)	(741)	(11,284)	–	(4,280)	(30,679)
Transfer to investment properties	(508)	–	–	–	–	–	(508)
Closing net carrying amount	239,080	50,430	970	30,739	5,557	9,344	336,120

	Properties and buildings	Machinery and equipment	Transportation equipment	Office and electronic equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024							
Cost	311,574	98,268	10,257	91,929	5,557	21,795	539,380
Accumulated depreciation	(72,494)	(47,838)	(9,287)	(61,190)	–	(12,451)	(203,260)
Net carrying amount	239,080	50,430	970	30,739	5,557	9,344	336,120
Year ended December 31, 2025							
Opening net carrying amount	239,080	50,430	970	30,739	5,557	9,344	336,120
Additions	415	1,824	704	6,511	7,647	389	17,490
Disposals	–	(282)	(119)	(609)	–	–	(1,010)
Depreciation	(7,885)	(6,821)	(434)	(10,419)	–	(5,002)	(30,561)
Transfer	3,930	–	–	557	(12,065)	7,578	–
Transfer from investment properties	385	–	–	–	–	–	385
Closing net carrying amount	235,925	45,151	1,121	26,779	1,139	12,309	322,424
As at December 31, 2025							
Cost	316,431	99,168	10,787	95,310	1,139	29,762	552,597
Accumulated depreciation	(80,506)	(54,017)	(9,666)	(68,531)	–	(17,453)	(230,173)
Net carrying amount	235,925	45,151	1,121	26,779	1,139	12,309	322,424
Six months ended June 30, 2026							
Opening net carrying amount	235,925	45,151	1,121	26,779	1,139	12,309	322,424
Additions	–	1,710	232	5,889	26,515	3,729	38,075
Acquisition of subsidiaries *(Note 48)*	64,725	24,818	3,132	1,412	3,050	–	97,137
Disposal of subsidiaries	–	–	–	(548)	–	–	(548)
Disposals	–	(538)	–	(202)	–	–	(740)
Depreciation	(4,613)	(3,934)	(435)	(5,149)	–	(2,752)	(16,883)
Transfer	–	2,085	–	2,752	(6,049)	1,212	–
Transfer from investment properties	484	–	–	–	–	–	484
Closing net carrying amount	296,521	69,292	4,050	30,933	24,655	14,498	439,949
As at June 30, 2026							
Cost	383,379	133,019	16,608	103,239	24,655	34,703	695,603
Accumulated depreciation	(86,858)	(63,727)	(12,558)	(72,306)	–	(20,205)	(255,654)
Net carrying amount	296,521	69,292	4,050	30,933	24,655	14,498	439,949

Notes:

(a) The Group's buildings, included in property, plant and equipment, located in the PRC with carrying amounts amounting to approximately RMB2,602,000 as at December 31, 2023, were in the process of obtaining the ownership certificates. Since Huaxiao Precision (Suzhou) Co., Ltd had been disposed of in January 2024 (Note 47), there were no buildings in the process of applying for ownership certificates as at December 31, 2024 and 2025 and June 30, 2026. The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy and use the buildings, and therefore the aforesaid matter did not have any significant impact on the Group's consolidated statements of financial position as at December 31, 2023, 2024 and 2025 and June 30, 2026.

(b) The Group has pledged certain buildings, included in property, plant and equipment, with the following carrying amounts to secure borrowings granted to the Group. Details of the Group's buildings pledged for the Group's borrowings are disclosed below:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Buildings	192,377	188,376	–	–

(c) As at December 31, 2023, given that the Group recorded a net loss for the year ended December 31, 2023, management assessed whether any impairment of property, plant and equipment was required. The recoverable amounts of the relevant cash-generating units were determined based on value-in-use calculations, using cash flow projections derived from financial budgets approved by senior management and an appropriate discount rate. Based on the results of the assessment, the recoverable amounts exceeded the carrying amounts and no impairment loss was recognised.

(d) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of sales	9,981	5,378	7,256	2,497	3,978
General and administrative expenses	16,727	16,396	14,687	8,557	8,757
Selling expenses	1,425	965	936	457	478
Research and development expenses	7,523	7,940	7,682	3,663	3,670
	35,656	30,679	30,561	15,174	16,883

The Company

	Properties and buildings	Machinery and equipment	Transportation equipment	Office and electronic equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023							
Cost	3	1,708	2,652	6,986	–	–	11,349
Accumulated depreciation	–	(1,027)	(2,519)	(4,874)	–	–	(8,420)
Net carrying amount	3	681	133	2,112	–	–	2,929
Year ended December 31, 2023							
Opening net carrying amount	3	681	133	2,112	–	–	2,929
Additions	–	672	1,080	1,607	–	–	3,359
Disposals	(3)	(442)	–	(212)	–	–	(657)
Depreciation	–	(122)	(41)	(1,214)	–	–	(1,377)
Closing net carrying amount	–	789	1,172	2,293	–	–	4,254
As at December 31, 2023							
Cost	–	1,938	3,732	8,381	–	–	14,051
Accumulated depreciation	–	(1,149)	(2,560)	(6,088)	–	–	(9,797)
Net carrying amount	–	789	1,172	2,293	–	–	4,254
Year ended December 31, 2024							
Opening net carrying amount	–	789	1,172	2,293	–	–	4,254
Additions	–	5,015	–	2,855	5,557	–	13,427
Disposals	–	(87)	–	(15)	–	–	(102)
Depreciation	–	(213)	(257)	(1,111)	–	–	(1,581)
Closing net carrying amount	–	5,504	915	4,022	5,557	–	15,998
As at December 31, 2024							
Cost	–	6,865	3,732	11,216	5,557	–	27,370
Accumulated depreciation	–	(1,361)	(2,817)	(7,194)	–	–	(11,372)
Net carrying amount	–	5,504	915	4,022	5,557	–	15,998

	Properties and buildings	Machinery and equipment	Transportation equipment	Office and electronic equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2025							
Opening net carrying amount	–	5,504	915	4,022	5,557	–	15,998
Additions	–	157	–	947	2,021	–	3,125
Disposals	–	(121)	–	–	–	–	(121)
Depreciation	–	(590)	(257)	(1,208)	–	(700)	(2,755)
Transfers	–	–	–	–	(7,578)	7,578	–
Closing net carrying amount	–	4,950	658	3,761	–	6,878	16,247
As at December 31, 2025							
Cost	–	6,716	3,732	12,163	–	7,578	30,189
Accumulated depreciation	–	(1,766)	(3,074)	(8,402)	–	(700)	(13,942)
Net carrying amount	–	4,950	658	3,761	–	6,878	16,247
Six months ended June 30, 2026							
Opening net carrying amount	–	4,950	658	3,761	–	6,878	16,247
Additions	–	231	–	3,298	–	–	3,529
Disposals	–	(21)	–	(26)	–	–	(47)
Depreciation	–	(293)	(129)	(632)	–	(422)	(1,476)
Closing net carrying amount	–	4,867	529	6,401	–	6,456	18,253
As at June 30, 2026							
Cost	–	6,522	3,732	16,349	–	7,578	34,181
Accumulated depreciation	–	(1,655)	(3,203)	(9,948)	–	(1,122)	(15,928)
Net carrying amount	–	4,867	529	6,401	–	6,456	18,253

Notes:

(a) There are no property, plant and equipment pledged for the Company's borrowings as at December 31, 2023, 2024 and 2025 and June 30, 2026.

15. LEASES

The Group as a lessee

The Group has lease contracts for buildings used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1 year to 5 years.

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analyzed as follows:

	Buildings and structures	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	25,181	80,995	106,176
Additions	23,884	–	23,884
Acquisition of subsidiaries *(Note 48)*	1,725	–	1,725
Depreciation	(16,029)	(631)	(16,660)
Lease modification and termination	(6,551)	–	(6,551)
As at December 31, 2023	28,210	80,364	108,574
As at January 1, 2024	28,210	80,364	108,574
Additions	2,382	–	2,382
Disposal of subsidiaries *(Note 47)*	(2,915)	–	(2,915)
Depreciation	(11,429)	(1,337)	(12,766)
Lease modification and termination	(8,333)	–	(8,333)
As at December 31, 2024	7,915	79,027	86,942
As at January 1, 2025	7,915	79,027	86,942
Additions	34,983	–	34,983
Depreciation	(12,213)	(1,315)	(13,528)
Lease modification and termination	(765)	–	(765)
As at December 31, 2025	29,920	77,712	107,632
As at January 1, 2026	29,920	77,712	107,632
Additions	3,415	38,528	41,943
Acquisition of subsidiaries *(Note 48)*	–	17,018	17,018
Depreciation	(7,046)	(1,212)	(8,258)
As at June 30, 2026	26,289	132,046	158,335

(b) Lease liabilities

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total minimum lease payments	29,669	7,993	31,460	29,845
Future interest expense on lease liabilities	(1,626)	(256)	(1,642)	(1,253)
	28,043	7,737	29,818	28,592
Portion due within one year included under current liabilities	14,229	6,783	12,186	13,109
Portion due after one year included under non-current liabilities	13,814	954	17,632	15,483
	28,043	7,737	29,818	28,592

(c) The amounts recognized in the consolidated statements of comprehensive income in relation to leases are as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on lease liabilities	1,272	510	816	350	511
Depreciation of right-of-use assets	16,660	12,766	13,528	7,759	8,258
Expenses relating to short-term leases and leases of low-value assets	1,509	1,930	4,269	3,292	2,259
	19,441	15,206	18,613	11,401	11,028

The Company as a lessee

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analyzed as follows:

	Buildings and structures	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023, December 31, 2023, December 31, 2024 and January 1, 2025	–	–	–
Additions	7,109	–	7,109
Depreciation	(948)	–	(948)
As at December 31, 2025	6,161	–	6,161
As at 1 January 1, 2026	6,161	–	6,161
Depreciation	(710)	–	(710)
As at June 30, 2026	5,451	–	5,451

(b) Lease liabilities

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total minimum lease payments	–	–	6,244	6,244
Future interest expense on lease liabilities	–	–	(441)	(343)
	–	–	5,803	5,901
Portion due within one year included under current liabilities	–	–	1,309	1,353
Portion due after one year included under non-current liabilities	–	–	4,494	4,548
	–	–	5,803	5,901

(c) The amounts recognized in the consolidated statements of comprehensive income in relation to leases are as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on lease liabilities	–	–	146	–	98
Depreciation of right-of-use assets	–	–	948	237	710
	–	–	1,094	237	808

The Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of office and industrial premises. These leases have terms of between 1 and 10 years. For the years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2025 and 2026, the Group recognised rental income from these operating leases of RMB23,711,000, RMB28,435,000, RMB20,465,000, RMB11,161,000 (unaudited) and RMB7,599,000, respectively.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	22,020	10,178	16,905	19,259
After one year but within two years	7,359	10,716	14,802	15,933
After two years but within three years	7,485	9,868	9,299	13,260
After three years but within four years	6,657	4,563	5,272	8,876
After four years but within five years	2,053	2,385	1,525	6,349
More than five years	463	249	38	28,304
	46,037	37,959	47,841	91,981

16. INTANGIBLE ASSETS

The Group

	Patent rights	Non-patented technologies	Software and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023				
Cost	46,781	30,236	37,653	114,670
Accumulated amortization	(43,078)	(13,657)	(31,324)	(88,059)
Accumulated impairment	–	(281)	(2,035)	(2,316)
Net carrying amount	3,703	16,298	4,294	24,295
Year ended December 31, 2023				
Opening net carrying amount	3,703	16,298	4,294	24,295
Additions	–	–	249	249
Acquisition of subsidiaries *(Note 48)*	–	–	83	83
Disposals of subsidiaries *(Note 47)*	–	–	(408)	(408)
Disposals	–	–	(50)	(50)
Amortization	(1,245)	(8,117)	(3,178)	(12,540)
Impairment	–	(1,410)	–	(1,410)
Closing net carrying amount	2,458	6,771	990	10,219

	Patent rights	Non-patented technologies	Software and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Cost	34,101	30,236	37,002	101,339
Accumulated amortization	(31,643)	(21,774)	(33,977)	(87,394)
Accumulated impairment	–	(1,691)	(2,035)	(3,726)
Net carrying amount	2,458	6,771	990	10,219
Year ended December 31, 2024				
Opening net carrying amount	2,458	6,771	990	10,219
Additions	–	–	1,214	1,214
Disposals of subsidiaries *(Note 47)*	(1,145)	(1,007)	–	(2,152)
Disposals	–	(2,725)	(245)	(2,970)
Amortization	(1,313)	(1,731)	(338)	(3,382)
Closing net carrying amount	–	1,308	1,621	2,929
As at December 31, 2024				
Cost	13,170	15,130	17,935	46,235
Accumulated amortization	(13,170)	(12,131)	(16,314)	(41,615)
Accumulated impairment	–	(1,691)	–	(1,691)
Closing net carrying amount	–	1,308	1,621	2,929
Year ended December 31, 2025				
Opening net carrying amount	–	1,308	1,621	2,929
Additions	–	–	693	693
Amortization	–	(1,308)	(838)	(2,146)
Closing net carrying amount	–	–	1,476	1,476
As at December 31, 2025				
Cost	13,170	15,130	18,628	46,928
Accumulated amortization	(13,170)	(13,439)	(17,152)	(43,761)
Accumulated impairment	–	(1,691)	–	(1,691)
Net carrying amount	–	–	1,476	1,476
Six months ended June 30, 2026				
Opening net carrying amount	–	–	1,476	1,476
Additions	–	–	100	100
Acquisition of subsidiaries *(Note 48)*	–	8,658	538	9,196
Amortisation	–	(294)	(467)	(761)
Closing net carrying amount	–	8,364	1,647	10,011
As at June 30, 2026				
Cost	13,170	23,788	19,266	56,224
Accumulated amortisation	(13,170)	(13,733)	(17,619)	(44,522)
Accumulated impairment	–	(1,691)	–	(1,691)
Net carrying amount	–	8,364	1,647	10,011

Notes:

(a) Amortization of the Group's intangible assets has been recognized as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of sales	1,053	1	46	9	122
General and administrative expenses	8,866	2,961	1,582	853	428
Research and development expenses	2,621	420	518	473	211
	12,540	3,382	2,146	1,335	761

(b) Impairment loss

For the year ended 31 December 2023, as the battery swap station business operated by Shanghai Jiehuan Intelligent Technology Co., Ltd. continued to generate significant losses, an impairment indicator was identified in respect of the non-patented technology held by Shanghai Jiehuan Intelligent Technology Co., Ltd. (which is treated as a separate "CGU"). Such non-patented technology arose from a previous internal restructuring and was carried at fair value. An impairment loss of RMB1,410,000 was recognised in "impairment losses on non-current assets" for the year ended 31 December 2023.

The Company

	Patent rights	Non-patented technologies	Software and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023				
Cost	9,646	780	4,487	14,913
Accumulated amortization	(9,646)	(771)	(2,159)	(12,576)
Net carrying amount	–	9	2,328	2,337
Year ended December 31, 2023				
Opening net carrying amount	–	9	2,328	2,337
Amortization	–	(9)	(681)	(690)
Closing net carrying amount	–	–	1,647	1,647
As at December 31, 2023				
Cost	9,646	780	4,487	14,913
Accumulated amortization	(9,646)	(780)	(2,840)	(13,266)
Net carrying amount	–	–	1,647	1,647
Year ended December 31, 2024				
Opening net carrying amount	–	–	1,647	1,647
Additions	–	–	38	38
Amortization	–	–	(581)	(581)
Closing net carrying amount	–	–	1,104	1,104
As at December 31, 2024				
Cost	9,646	780	4,525	14,951
Accumulated amortization	(9,646)	(780)	(3,421)	(13,847)
Closing net carrying amount	–	–	1,104	1,104

	Patent rights	Non-patented technologies	Software and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2025				
Opening net carrying amount	–	–	1,104	1,104
Additions	–	–	250	250
Amortization	–	–	(490)	(490)
Closing net carrying amount	–	–	864	864
As at December 31, 2025				
Cost	9,646	780	4,775	15,201
Accumulated amortization	(9,646)	(780)	(3,911)	(14,337)
Net carrying amount	–	–	864	864
Six months ended June 30, 2026				
Opening net carrying amount	–	–	864	864
Amortisation	–	–	(298)	(298)
Closing net carrying amount	–	–	566	566
As at June 30, 2026				
Cost	9,646	780	4,775	15,201
Accumulated amortisation	(9,646)	(780)	(4,209)	(14,635)
Net carrying amount	–	–	566	566

17. INVESTMENT PROPERTY

The Group

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023			
Cost	208,489	70,953	279,442
Accumulated amortization	(37,818)	(10,243)	(48,061)
Net carrying amount	170,671	60,710	231,381
Year ended December 31, 2023			
Opening net carrying amount	170,671	60,710	231,381
Additions	2,861	–	2,861
Depreciation	(8,133)	(1,937)	(10,070)
Closing net carrying amount	165,399	58,773	224,172
As at December 31, 2023			
Cost	211,350	70,953	282,303
Accumulated amortization	(45,951)	(12,180)	(58,131)
Net carrying amount	165,399	58,773	224,172
Year ended December 31, 2024			
Opening net carrying amount	165,399	58,773	224,172
Depreciation	(8,199)	(1,936)	(10,135)
Transfer from property, plant and equipment	508	–	508
Closing net carrying amount	157,708	56,837	214,545
As at December 31, 2024			
Cost	212,009	70,953	282,962
Accumulated amortization	(54,301)	(14,116)	(68,417)
Net carrying amount	157,708	56,837	214,545

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
Year ended December 31, 2025			
Opening net carrying amount	157,708	56,837	214,545
Depreciation	(8,776)	(1,937)	(10,713)
Transfer to property, plant and equipment	(385)	–	(385)
Closing net carrying amount	148,547	54,900	203,447
As at December 31, 2025			
Cost	211,497	70,953	282,450
Accumulated amortisation	(62,950)	(16,053)	(79,003)
Net carrying amount	148,547	54,900	203,447
Six months ended June 30, 2026			
Opening net carrying amount	148,547	54,900	203,447
Depreciation	(4,382)	(968)	(5,350)
Transfer to property, plant and equipment	(484)	–	(484)
Closing net carrying amount	143,681	53,932	197,613
As at June 30, 2026			
Cost	210,838	70,953	281,791
Accumulated amortisation	(67,157)	(17,021)	(84,178)
Net carrying amount	143,681	53,932	197,613

Notes:

(a) The Group's investment properties are stated at cost less accumulated depreciation and impairment loss (if any). Had the investment properties been stated at fair value, the carrying amounts would have been RMB413,202,000, RMB396,424,000, RMB358,726,000 and RMB390,574,000 as at December 31, 2023, 2024 and 2025 and June 30, 2026 respectively. The fair value is categorized within level 3 of the three-level fair value hierarchy.

(b) The Group has pledged certain items of investment properties with the following carrying amounts to secure borrowings obtained by the Group. As at December 31, 2023, 2024, 2025 and June 30, 2026, the carrying amounts of the pledged investment properties were RMB94,513,000, RMB88,009,000, nil and nil, respectively.

(c) The Group's investment properties located in the PRC with carrying amounts of the buildings amounting to approximately RMB2,841,000, nil, nil and nil as at December 31, 2023, 2024, 2025 and June 30, 2026, respectively, were in the process of obtaining the ownership certificates as of the end of each reporting period. The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy and use the investment properties, and therefore the aforesaid matter did not have any significant impact on the Group's consolidated statements of financial position as at December 31, 2023, 2024, 2025 and June 30, 2026.

18. INTERESTS IN ASSOCIATES

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted investments	339,991	371,686	359,612	367,951
At the beginning of the year	252,872	339,991	371,686	359,612
Additions *(Note 47)*	161,000	19,240	–	500
Share of results, net	(2,601)	5,164	1,066	(6,656)
Dividends	(55,836)	–	(4,600)	–

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Transfer to subsidiaries upon step acquisition *(Note 48)*	(12,000)	–	–	–
Dilution of interests in associates *(Note 7)*	–	–	–	14,495
Others	(338)	7,291	(8,540)	–
Less: provision for impairment loss *(Note)*	(3,106)	–	–	–
At the end of the year	339,991	371,686	359,612	367,951

Note: Both external and internal sources of information of associates are considered in assessing whether there is any indicator that the investments may be impaired, including but not limited to information about financial position and business performance of the associates, and a significant or prolonged decline in the fair value of an investment below its carrying amount is also objective evidence of impairment. The Group carries out impairment assessments on those investments with impairment indicators, and the respective recoverable amounts of investments are determined with reference to the higher of fair value less costs of disposal and value in use.

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the Group recognised impairment losses from these interests in associates of RMB3,106,000, nil, nil and nil, respectively. The Group has fully impaired the carrying amount of equity interest in Shenyang Songliao Electronic Instrument Co., Ltd. as the recoverable amount was considered trivial. Impairment loss of RMB3,106,000 was recognised in "impairment losses on non-current assets" for the year ended December 31, 2023.

The following list contains the particulars of the major associate, which is an unlisted corporate entity whose quoted market price is not available.

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Group's effective interest as at December 31, 2023, 2024 and 2025 and June 30, 2026	Principal activities
Jiangsu Hongda Electric Co., Ltd. (江蘇宏達電氣有限公司)	Incorporated	PRC	RMB50.99 million	46.00%	Traditional circuit breakers

On May 16, 2023, the Group sold 5% of the equity interest in Jiangsu Hongda Electric Co., Ltd. to Mr. Shu Mingliang, an independent third party, for a total consideration of approximately RMB17,500,000. Following this disposal, the Company's equity interest in Jiangsu Hongda Electric Co., Ltd. decreased from 51% to 46% as of December 31, 2023. Upon disposal of 5% equity interest, the Group lost control over Jiangsu Hongda Electric Co., Ltd. and obtained significant influence instead. Therefore, Jiangsu Hongda Electric Co., Ltd. was accounted for as an associate afterwards. The fair value of remaining 46% equity interest in Jiangsu Hongda Electric Co., Ltd. as at disposal date is RMB161,000,000 based on an independent valuation report. Details of the disposal are set out in Note 47.

Summarized financial information of Jiangsu Hongda Electric Co., Ltd., adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements are disclosed below:

	As at/Year ended December 31,			As at/Six months ended June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross amounts of the associate's				
Current assets	313,368	406,740	404,393	370,030
Non-current assets	10,541	10,526	13,303	16,262
Current liabilities	153,975	225,184	214,403	178,331
Non-current liabilities	2,208	2,387	2,917	2,917

	As at/Year ended December 31,			As at/Six months ended June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity	167,726	189,695	200,376	205,044
Revenue	221,713	245,723	296,985	157,266
Profit for the year	20,699	21,969	20,681	4,668
Total comprehensive income for the year	20,699	21,969	20,681	4,668
Dividend received	–	–	4,600	–
Reconciled to the Group's interests in the associate				
Gross amounts of net assets of the associate	167,726	189,695	200,376	205,044
Group's effective interest	46.00%	46.00%	46.00%	46.00%
Group's share of net assets of the associate	77,154	87,260	92,173	94,320
Others	36,493	36,493	36,493	36,493
Carrying amount in the consolidated financial statements	113,647	123,753	128,666	130,813

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	Year ended/As at December 31,			Six months ended/ As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the associates' loss for the year	(4,316)	(4,942)	(8,447)	(8,803)
Share of the associates' total comprehensive loss	(4,316)	(4,942)	(8,447)	(8,803)
Aggregate carrying amount of the Group's investments in the associates at the end of the year	226,344	247,933	230,946	237,138

There were no material contingent liabilities relating to the Group's interest in associates.

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year	10,141	122,122	132,073	64,000
Additions *(Note 47)*	161,000	–	–	–
Disposals *(Note)*	–	–	(72,432)	(56,257)
Share of results, net	1,981	9,951	8,959	(258)
Dividends	(51,000)	–	(4,600)	–
Less: provision for impairment loss	–	–	–	–
At the end of the year	122,122	132,073	64,000	7,485

Note: During the year ended December 31, 2025, the Company disposed 26% of the equity interests in Jiangsu Hongda Electric Co., Ltd. to a subsidiary, Anneng Electric Technology (Hefei) Co., Ltd., and it continues to be accounted for as an associate of the Company.

During the six months ended June 30, 2026, the Company disposed the remaining 20% of the equity interests in Jiangsu Hongda Electric Co., Ltd. to a subsidiary, Shanghai Huanze Electric Co., Ltd.

19. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments, at cost	1,535,819	1,715,819	1,522,371	1,784,264

As at the date of this report, the Company's principal subsidiaries are as follows:

Name of entity	Place of incorporation/ operation	Registered share capital	Effective interest held by the Company				Principal activities
			As at December 31,			As at June 30,	
			2023	2024	2025	2026	
		'000					
CSG Smart Electrical Technology Co., Ltd. 科大智能電氣技術有限公司 *(Note (b))*	PRC	RMB220,000	100.0%	100.0%	100.0%	100.0%	R&D, manufacturing and development of smart power distribution and consumption products and related solutions.
Yantai CSG Zhengxin Electric Co., Ltd. 煙台科大正信電氣有限公司 *(Note (b))*	PRC	RMB 51,000	100.0%	100.0%	100.0%	100.0%	R&D, manufacturing and development of smart power distribution and consumption products and related solutions.
Shanghai Yongqian M&E Co., Ltd. 上海永乾機電有限公司 *(Note (b))*	PRC	RMB140,000	100.0%	100.0%	100.0%	100.0%	R&D and manufacturing and development industrial of manipulators and related solutions.
Wuhan Yongqian Automation Co., Ltd. 武漢永乾自動化有限公司 *(Note (b))*	PRC	RMB20,000	100.0%	100.0%	100.0%	100.0%	R&D and manufacturing and development of industrial manipulators and related solutions.
CSG Digital (Shanghai) Energy Technology Co., Ltd. 科大數字 (上海)能源科技有限公司 *(Note (b) (Note (e))*	PRC	RMB30,000	70.0%	100.0%	100.0%	100.0%	R&D, manufacturing and development of energy storage products and related solutions.
CSG Smart Robot Technology Co., Ltd.科大智能機器人技術有限公司 *(Note (b))*	PRC	RMB50,000	100.0%	100.0%	100.0%	100.0%	Holding company.
Shenzhen HW Automation Equipment Co., Ltd.深圳市宏偉自動化設備有限公司 *(Note (b))*	PRC	RMB14,286	70.0%	70.0%	70.0%	70.0%	R&D and manufacturing and development of stackers and related solutions.
Hefei CSG Intelligent Robot Technology Co., Ltd.合肥科大智能機器人技術有限公司 *(Note (b))*	PRC	RMB17,421	57.4%	57.4%	57.4%	57.4%	R&D and manufacturing and development of inspection robots and related solutions.
Shanghai Yingtong (YT) Electric Co., Ltd. 上海英同電氣有限公司 *(Note (b))*	PRC	RMB8,571	51.0%	51.0%	51.0%	51.0%	R&D, manufacturing and development of smart power distribution and consumption products and related solutions.
Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. 浙江江山源光電氣有限公司 *(Note (f))*	PRC	RMB50,500	N/A	N/A	N/A	70.0%	Manufacturing of power transformers.

Notes:

(a) The English names of the subsidiaries with Chinese names represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(b) The financial statements of the entity for the years ended December 31, 2023, 2024 and 2025 were audited by RSM China CPA LLP.

(c) The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Group, principally affected the results during the Track Record Period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Group, result in particulars of excessive length.

(d) All the subsidiaries of the Group are limited liability companies. All subsidiaries have adopted December 31 as their financial year end date.

(e) On November 18, 2024, the Group acquired the remaining 30.00% equity interest in CSG Digital (Shanghai) Energy Technology Co., Ltd. from its non-controlling interests for a consideration of RMB nil. Subsequent to the acquisition and as at December 31, 2024, the Group's effective equity interest in CSG Digital (Shanghai) Energy Technology Co., Ltd. increased from 70.00% to 100.00%.

(f) On May 11, 2026, the Group completed the acquisition of an aggregate of 70% equity interest in Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. at a total cash consideration of RMB151,200,000. As the Group obtained control over Zhejiang Jiangshan Yuanguang Electrical Co., Ltd., it is accounted for as a subsidiary of the Group.

20. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	As at/Year ended December 31,			As at/Six months ended June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Percentage of equity interest held by non-controlling interests:				
Shenzhen HW Automation Equipment Co., Ltd.	30%	30%	30%	30%
Huaxiao Precision (Suzhou) Co., Ltd.	45%	N/A	N/A	N/A
CSG Digital (Shanghai) Energy Technology Co., Ltd.	30%	0%	0%	0%
Shanghai Yingtong (YT) Electric Co., Ltd.	49%	49%	49%	49%
Zhejiang Jiangshan Yuanguang Electrical Co., Ltd.	N/A	N/A	N/A	30%
Profit/(loss) for the year allocated to non-controlling interests:				
Shenzhen HW Automation Equipment Co., Ltd.	4,199	4,788	4,024	1,002
Huaxiao Precision (Suzhou) Co., Ltd.	(14,815)	N/A	N/A	N/A
CSG Digital (Shanghai) Energy Technology Co., Ltd.	(29,029)	(13,290)	N/A	N/A
Shanghai Yingtong (YT) Electric Co., Ltd.	1,472	2,728	1,404	1,182
Zhejiang Jiangshan Yuanguang Electrical Co., Ltd.	N/A	N/A	N/A	914
Accumulated balances of non-controlling interests:				
Shenzhen HW Automation Equipment Co., Ltd.	7,142	19,177	23,201	24,033
Huaxiao Precision (Suzhou) Co., Ltd.	(13,901)	N/A	N/A	N/A
CSG Digital (Shanghai) Energy Technology Co., Ltd.	(25,072)	N/A	N/A	N/A
Shanghai Yingtong (YT) Electric Co., Ltd.	27,906	29,164	29,098	30,280
Zhejiang Jiangshan Yuanguang Electrical Co., Ltd.	N/A	N/A	N/A	60,778

The following tables illustrate the summarized financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

Shenzhen HW Automation Equipment Co., Ltd.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	343,067	265,939	217,755	296,524
Non-current assets	14,073	9,010	16,638	16,446
Current liabilities	305,034	207,043	150,279	150,279
Non-current liabilities	5,616	3,046	5,843	5,843
Net assets	46,490	64,860	78,271	156,848

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	207,471	178,843	180,718	84,793	95,616
Profit for the year/period	13,996	15,959	13,411	7,054	3,339
Total comprehensive income for the year	13,996	15,959	13,411	7,054	3,339
Net cash flows (used in)/generated from operating activities	(14,430)	10,980	36,440	22,225	(4,829)
Net cash flows used in investing activities	(777)	(603)	(603)	(87)	(365)
Net cash flows generated from/(used in) financing activities	17,573	(7,736)	(7,736)	(16,205)	7,886

Huaxiao Precision (Suzhou) Co., Ltd.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	210,917	N/A	N/A	N/A
Non-current assets	10,320	N/A	N/A	N/A
Current liabilities	263,538	N/A	N/A	N/A
Non-current liabilities	3,458	N/A	N/A	N/A
Net liabilities	(45,759)	N/A	N/A	N/A

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	237,765	N/A	N/A	N/A	N/A
Loss for the year/period	(32,921)	N/A	N/A	N/A	N/A
Total comprehensive loss for the year	(32,921)	N/A	N/A	N/A	N/A
Net cash flows generated from operating activities	4,822	N/A	N/A	N/A	N/A
Net cash flows used in investing activities	(365)	N/A	N/A	N/A	N/A
Net cash flows generated from financing activities	2,765	N/A	N/A	N/A	N/A

CSG Digital (Shanghai) Energy Technology Co., Ltd.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	53,997	89,237	96,897	80,628
Non-current assets	55,561	52,959	50,584	53,425
Current liabilities	193,132	74,936	92,455	87,678
Non-current liabilities	–	1,498	1,053	1,109
Net (liabilities)/assets	(83,574)	65,763	53,973	45,266

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	8,418	149,976	129,649	24,490	14,144
Loss for the year/period	(96,762)	(30,664)	(11,791)	(4,827)	(8,705)
Total comprehensive loss for the year	(96,762)	(30,664)	(11,791)	(4,827)	(8,705)
Net cash flows (used in)/generated from operating activities	(93,594)	(40,390)	(13,823)	(18,520)	2,640
Net cash flows (used in)/generated from investing activities	(47,542)	191	(918)	(2,448)	(5,000)
Net cash flows (used in)/generated from financing activities	(144,065)	55,563	–	–	–

Shanghai Yingtong (YT) Electric Co., Ltd.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	102,121	88,172	77,641	78,621
Non-current assets	7,860	5,016	3,812	3,160
Current liabilities	51,447	32,709	21,467	19,393
Non-current liabilities	1,583	960	601	591
Net assets	56,951	59,519	59,385	61,797

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	101,782	96,934	60,205	27,964	26,951
Profit for the year/period	11,307	5,568	2,866	2,632	2,413
Total comprehensive income for the year	11,307	5,568	2,866	2,632	2,413
Net cash flows generated from operating activities	15,639	100	11,970	4,223	5,754
Net cash flows (used in)/generated from investing activities	(18,029)	15,757	(26,440)	(19,940)	(4,500)

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net cash flows (used in)/generated from financing activities	(4,025)	1,124	(2,862)	–	–

Zhejiang Jiangshan Yuanguang Electrical Co., Ltd.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	N/A	N/A	N/A	268,304
Non-current assets	N/A	N/A	N/A	117,384
Current liabilities	N/A	N/A	N/A	199,213
Non-current liabilities	N/A	N/A	N/A	2,799
Net assets	N/A	N/A	N/A	183,676

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	N/A	N/A	N/A	N/A	39,092
Profit for the year/period	N/A	N/A	N/A	N/A	3,045
Total comprehensive income for the year	N/A	N/A	N/A	N/A	3,045
Net cash flows used in operating activities	N/A	N/A	N/A	N/A	(11,045)
Net cash flows generated from investing activities	N/A	N/A	N/A	N/A	3,999
Net cash flows generated from financing activities	N/A	N/A	N/A	N/A	233

As at December 31, 2023, 2024 and 2025 and June 30,2026, the aggregated immaterial non-controlling interests amounted to approximately RMB20,550,000, RMB12,636,000, RMB25,394,000 and RMB26,147,000, respectively.

21. GOODWILL

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening net carrying amount	56,531	8,474	8,474	8,474
Additions *(Note 48)*	3,087	–	–	11,517
Disposal of subsidiaries *(Note 47)*	(51,144)	–	–	–
At the end of the year	8,474	8,474	8,474	19,991

The goodwill balance as at December 31, 2023 was RMB8,474,000, which decreased significantly compared with the balance of RMB56,531,000 as at January 1, 2023. The decrease was primarily due to the disposal of certain equity interests in Jiangsu Hongda Electric Co., Ltd., resulting in the loss of control over it during the year ended December 31, 2023. Details are set out in Note 47.

The goodwill balance as at June 30, 2026 was RMB19,991,000, which increased significantly compared with the balance of RMB8,474,000 as at January 1, 2026. The increase was primarily due to the acquisition of 70.0% equity interest in Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. Details are set out in Note 48.

Impairment tests for goodwill

The carrying amount of goodwill allocated to the Group's Cash-Generating Units ("CGU") are as follows:

	As at December 31			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
CSG Automate Technology (Shanghai) Co., Ltd.	714,595	N/A	N/A	N/A
Huaxiao Precision (Suzhou) Co., Ltd.	497,245	N/A	N/A	N/A
Shanghai Yongqian M&E Co., Ltd.	407,132	407,132	407,132	407,132
Kezhi Digital Energy (Hefei) Co., Ltd. (Previous name: Shanghai Qiancheng Mechanical Equipment Co., Ltd.)	23,214	23,214	23,214	23,214
Yantai CSG Zhengxin Electric Co., Ltd. *(Note (a))*	5,387	5,387	5,387	5,387
Anhui Nianye Electronic Technology Co., Ltd.	456	N/A	N/A	N/A
Shanghai Yingtong (YT) Electric Co., Ltd. *(Note (b))*	3,087	3,087	3,087	3,087
Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. *(Note 48)*	N/A	N/A	N/A	11,517
	1,651,116	438,820	438,820	450,337
Less: impairment				
CSG Automate Technology (Shanghai) Co., Ltd.	(714,595)	N/A	N/A	N/A
Huaxiao Precision (Suzhou) Co., Ltd.	(497,245)	N/A	N/A	N/A
Shanghai Yongqian M&E Co., Ltd.	(407,132)	(407,132)	(407,132)	(407,132)
Kezhi Digital Energy (Hefei) Co., Ltd. (Previous name: Shanghai Qiancheng Mechanical Equipment Co., Ltd.)	(23,214)	(23,214)	(23,214)	(23,214)
Yantai CSG Zhengxin Electric Co., Ltd. *(Note (a))*	–	–	–	–
Anhui Nianye Electronic Technology Co., Ltd.	(456)	N/A	N/A	N/A
Shanghai Yingtong (YT) Electric Co., Ltd. *(Note (b))*	–	–	–	–
Zhejiang Jiangshan Yuanguang Electrical Co., Ltd.	N/A	N/A	N/A	–
	(1,642,642)	(430,346)	(430,346)	(430,346)
	8,474	8,474	8,474	19,991

The impairment test is based on the recoverable amount of the respective CGU to which the goodwill is allocated. The recoverable amount of the CGU was determined based on the value in use ("VIU") calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the forecast period remain constant. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognized.

At the end of each reporting period, the Group performed impairment testing on goodwill of Yantai CSG Zhengxin Electric Co., Ltd., Shanghai Yingtong (YT) Electric Co., Ltd. and Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. As the recoverable amount was higher than the carrying amount of each respective CGU as mentioned above, no impairment of goodwill was required.

The key assumptions used in estimating the recoverable amount are as follows:

(a) Yantai CSG Zhengxin Electric Co., Ltd.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Annual revenue growth rate	2%	3%	10%	10%
Profit margin	7%	7%	6%	6%
Growth rate beyond the forecast period	0%	0%	0%	0%
Pre-tax discount rate	13.07%	13.81%	10.45%	10.45%

(b) Shanghai Yingtong (YT) Electric Co., Ltd.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Annual revenue growth rate	2%	3%	5%	5%
Profit margin	10%	6%	6%	6%
Growth rate beyond the forecast period	0%	0%	0%	0%
Pre-tax discount rate	13.07%	13.81%	10.45%	10.45%

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Assumptions	Approach used to determine values
Annual revenue growth rate	Annual revenue growth rate over the five-year forecast period based on current industry trends, past performance and management's expectations for the future.
Profit margin	Based on past performance and management's expectations for the future.
Growth rate beyond the forecast period	This is the growth rate used to extrapolate cash flows beyond the five-year period, for mature enterprises, a 0% growth rate is conservatively adopted.
Pre-tax discount rate	The rate reflects specific risks relating to the relevant CGU.

Sensitivity analysis and headroom

The Group has conducted a sensitivity analysis on impairment test of the CGUs containing significant goodwill. The following table sets out the headroom calculated based on the recoverable amounts after deducting the carrying amount of each CGU, reasonably possible changes to annual revenue growth rate, profit margin and pre-tax discount rate that would, in isolation, have removed the remaining headroom, respectively as at December 31, 2023, 2024 and 2025 and June 30, 2026.

	As at December 31, 2023,	
	Yantai CSG Zhengxin Electric Co., Ltd.	Shanghai Yingtong (YT) Electric Co., Ltd.
Headroom (RMB'000)	7,587	35,309
Annual revenue growth rate decrease	0.15%	1.17%
Profit margin decrease	0.20%	3.58%
Pre-tax discount rate increase	0.54%	7.52%

	As at December 31, 2024,	
	Yantai CSG Zhengxin Electric Co., Ltd.	Shanghai Yingtong (YT) Electric Co., Ltd.
Headroom (RMB'000)	2,657	13,865
Annual revenue growth rate decrease	1.04%	0.53%
Profit margin decrease	0.36%	0.98%
Pre-tax discount rate increase	0.21%	2.51%

	As at December 31, 2025,	
	Yantai CSG Zhengxin Electric Co., Ltd.	Shanghai Yingtong (YT) Electric Co., Ltd.
Headroom (RMB'000)	4,513	25,053
Annual revenue growth rate decrease	0.10%	0.60%
Profit margin decrease	0.05%	2.27%
Pre-tax discount rate increase	0.22%	3.82%

	As at June 30, 2026,	
	Yantai CSG Zhengxin Electric Co., Ltd.	Shanghai Yingtong (YT) Electric Co., Ltd.
Headroom (RMB'000)	2,750	11,343
Annual revenue growth rate decrease	0.10%	0.31%
Profit margin decrease	0.05%	1.50%
Pre-tax discount rate increase	0.14%	1.72%

Goodwill arising from the acquisition of Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. on May 11, 2026 was allocated to the Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. cash-generating unit ("Yuanguang Electrical CGU"). The fair values of identifiable assets and liabilities at the acquisition date were assessed by an independent valuer. As at June 30, 2026, the Group considers that there has been no material change in the recoverable amount of the CGU and, accordingly, no impairment is recognised. Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the Yuanguang Electrical CGU to exceed its recoverable amount.

22. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
– Bank WMPs and structured deposits *(Note)*	209,920	330,791	207,768	148,975
– Listed securities	617	1,641	–	–
	210,537	332,432	207,768	148,975

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
– Bank WMPs and structured deposits *(Note)*	75,124	320,622	170,692	33,000

Note: The Bank wealth management products ("WMPs") and structured deposits are mainly managed by licensed financial institutions in the PRC to invest principally in certain financial assets. They are classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

23. FINANCIAL ASSETS AT FVTOCI

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
– Notes receivables measured at FVTOCI *(Note)*	91,994	45,372	72,873	102,024
Non-current:				
– Unlisted equity investments	10,694	10,965	11,791	26,778

Note: As at December 31, 2023, 2024 and 2025 and June 30, 2026, the Group endorsed and discounted certain notes receivable accepted by banks with high credit ratings 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 RMB190,822,000, RMB419,877,000, RMB127,917,000 and RMB221,155,000. The Derecognised Bills had a maturity of one to six months at the end of each reporting period. 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 year ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 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. The endorsement has been made evenly throughout the year.

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
– Notes receivables measured at FVTOCI	413	3,429	7,788	1,505
Non-current:				
– Unlisted equity investments	9,316	9,456	10,282	20,269

24. TRADE AND NOTES RECEIVABLES

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	2,005,289	1,813,328	1,805,919	2,016,658
Notes receivables	206,382	140,902	104,266	92,867
	2,211,671	1,954,230	1,910,185	2,109,525
Less: provision of impairment	(435,315)	(356,817)	(335,097)	(352,541)
Trade and notes receivables, net	1,776,356	1,597,413	1,575,088	1,756,984

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
– Due from subsidiaries	16,545	11,956	77,274	115,789
– Due from other parties	177,334	190,649	199,094	130,665
	193,879	202,605	276,368	246,454
Notes receivables	17,879	14,149	20,833	26,371
	211,758	216,754	297,201	272,825
Less: provision of impairment	(27,847)	(29,435)	(32,195)	(24,611)
Trade and notes receivables, net	183,911	187,319	265,006	248,214

Certain trade and notes receivables are pledged as security for the Group's borrowings, details are disclosed in Note 40 to the Historical Financial Information.

As at December 31, 2023, 2024 and 2025 and June 30, 2026, certain notes receivables of the Group amounting to RMB161,231,000, RMB88,649,000, RMB77,740,000 and RMB62,561,000 respectively were discounted and endorsed against the settlement of trade and other payables of the Group and not derecognised at the end of each reporting period. 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.

The credit period granted to customers generally ranges from 30 to 90 days during the Track Record Period. The aging analysis of trade receivables based on recognition date is as follows:

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,163,373	1,037,489	1,133,910	1,346,041
Over 1 year but within 2 years	387,877	369,222	282,953	296,812
Over 2 years but within 3 years	165,396	162,073	170,634	123,781
Over 3 years	288,643	244,544	218,422	250,024
	2,005,289	1,813,328	1,805,919	2,016,658

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	125,017	138,179	209,852	200,801
Over 1 year but within 2 years	36,125	30,010	26,498	17,882
Over 2 years but within 3 years	14,864	15,420	20,155	9,475
Over 3 years	17,873	18,996	19,863	18,296
	193,879	202,605	276,368	246,454

Movements in impairment of trade and notes receivables are as follows:

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	445,121	435,315	356,817	335,097
Impairment recognized, net	4,561	16,611	6,153	(7,356)
Written off	(6,034)	(5,126)	(27,873)	(283)
Acquisition of subsidiaries	2,500	–	–	25,127
Disposal of subsidiaries	(10,833)	(89,983)	–	(44)
At the end of the year/period	435,315	356,817	335,097	352,541

Detail information about the impairment of trade receivables and the Group's exposure to credit risk is described in Note 46.

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	33,773	27,847	29,435	32,195
Impairment (reversed)/recognised, net	(5,926)	1,794	3,197	(7,584)
Written off	–	(206)	(437)	–
At the end of the year/period	27,847	29,435	32,195	24,611

25. CONTRACT ASSETS

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Retention receivables under retention period *(Note (a))*	103,151	60,499	85,233	83,601
Less: provision of impairment *(Note (b))*	(7,825)	(4,553)	(5,700)	(5,378)
Contract assets, net	95,326	55,946	79,533	78,223

Notes:

(a) The Group typically agrees to retain 5% to 30% of the contract value as retention money. The retention period normally ranges from one to five years upon the completion of work. These amounts are included in contract assets until the end of the retention period as the Group's entitlement to these final payments are conditional on the projects keep properly functioning during the retention period.

(b) Detail information about the impairment of contract assets and the Group's exposure to credit risk is described in Note 46.

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Retention receivables under retention period	10,476	12,631	5,750	4,856
Less: provision of impairment	(1,150)	(1,391)	(1,194)	(462)
Contract assets, net	9,326	11,240	4,556	4,394

Movements in impairment of contract assets are as follows:

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	5,346	7,825	4,553	5,700
Impairment (reversed)/recognised, net	2,479	(2,231)	1,147	(322)
Written off	–	(1,041)	–	–
At the end of the year/period	7,825	4,553	5,700	5,378

26. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-Current				
Long-term contract assets	34,140	35,811	45,677	42,098
Prepayments for acquisition of long-term assets	7,102	1,970	8,855	4,521
	41,242	37,781	54,532	46,619
Less: provision of impairment	(3,460)	(5,279)	(8,050)	(3,646)
	37,782	32,502	46,482	42,973
Current				
Other receivables				
– Deposits and guarantees	47,669	37,619	34,805	37,319
– Employee advances	2,374	3,820	3,461	13,032
– Receivables due from related parties *(Note 43)*	7,470	9,866	12,447	10,095
– Service fee	–	2,843	1,536	5,640
– Consideration for disposal of subsidiaries	63,907	30,949	–	1,013
– Others	9,399	12,424	6,817	16,540
	130,819	97,521	59,066	83,639
Less: provision of impairment	(25,582)	(22,507)	(15,316)	(17,577)
	105,237	75,014	43,750	66,062
Advance payments for materials *(Note (b))*	43,596	39,669	30,612	33,501
VAT recoverable *(Note (a))*	61,400	33,955	49,407	68,897
Prepaid EIT	2	559	–	–
Prepaid IPO expenses	–	–	5,208	15,238
Others	832	2,526	1,612	1,990
	211,067	151,723	130,589	185,688

Notes:

(a) Input VAT on purchases can be deducted from output VAT payable. The VAT recoverable is the net difference between output and deductible input VAT. The applicable tax rates for domestic sales of the Group are 13%, 9% and 6%.

(b) The Group had made advance payments for purchase of inventories to secure the inventory supply. These advance payments are expected to be mainly realized within twelve months from the end of the reporting period. As at December 31, 2023, 2024 and 2025 and June 30, 2026, the proportions of advance payments for materials due within one year were 69%, 86.5%, 88.4% and 88.3%, respectively.

(c) The information about the credit risk exposure on the Group's other receivables is disclosed in Note 46.

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-Current				
Long-term contract assets	13,211	5,553	8,412	8,270
Prepayments for acquisition of long-term assets	–	1,347	579	2,490
	13,211	6,900	8,991	10,760
Less: provision of impairment	(951)	(770)	(589)	(449)
	12,260	6,130	8,402	10,311
Current				
Other receivables				
– Due from subsidiaries	1,112,939	121,824	149,694	213,514
– Due from other parties	7,698	15,563	5,536	6,840
Dividends receivable	80,000	60,000	160,000	160,000
Advance payments for materials	9,248	20,275	13,695	11,899
VAT recoverable	3,183	1,447	12,258	25,797
Prepaid IPO expenses	–	–	5,208	15,238
Others	7	37	1,848	2,789
	1,213,075	219,146	348,239	436,077
Less: provision of impairment	(160,650)	(49,260)	(45,807)	(45,444)
	1,052,425	169,886	302,432	390,633

The movements on the provision of impairment of deposits and other assets are as follows:

The Group

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	22,204	–	8,659	30,863
Provision/(reversal)	177	–	(187)	(10)
Written off	(61)	–	(265)	(326)
Addition through acquisition of subsidiaries	85	–	–	85
Disposal of subsidiaries	(722)	–	(848)	(1,570)
As at December 31,2023	21,683	–	7,359	29,042
As at January 1, 2024	21,683	–	7,359	29,042
Provision	1,786	–	411	2,197
Written off	(948)	–	–	(948)
Disposal of subsidiaries	(617)	–	(1,888)	(2,505)
As at December 31, 2024	21,904	–	5,882	27,786
As at January 1, 2025	21,904	–	5,882	27,786
Reversal	(2,234)	–	(89)	(2,323)
Written off	(341)	–	(1,756)	(2,097)
As at December 31, 2025	19,329	–	4,037	23,366
As at January 1, 2026	19,329	–	4,037	23,366
Reversal	(3,558)	–	–	(3,558)
Written off	–	–	–	–
Addition through acquisition of subsidiaries	1,416	–	–	1,416
Disposal of subsidiaries	(1)	–	–	(1)
As at June 30, 2026	17,186	–	4,037	21,223

The Company

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	3,540	–	617,713	621,253
Reversal	(483)	–	(13,486)	(13,969)
Written off	(50)	–	–	(50)
Transfer to investment in subsidiaries *(Note)*	–	–	(445,633)	(445,633)
As at December 31,2023	3,007	–	158,594	161,601
As at January 1, 2024	3,007	–	158,594	161,601
Provision/(reversal)	431	–	(55,799)	(55,368)
Written off	(50)	–	–	(50)
Disposal of subsidiaries	–	–	(56,153)	(56,153)
As at December 31, 2024	3,388	–	46,642	50,030
As at January 1, 2025	3,388	–	46,642	50,030
Reversal	(355)	–	(3,158)	(3,513)
Written off	(121)	–	–	(121)
As at December 31, 2025	2,912	–	43,484	46,396
As at January 1, 2026	2,912	–	43,484	46,396
Reversal	(503)	–	–	(503)
Written off	–	–	–	–
As at June 30, 2026	2,409	–	43,484	45,893

Note:

The amount represents the ECL on the amount due from a subsidiary, CSG Automate Technology (Shanghai) Co., Ltd., with a gross amount of RMB445,633,000. The carrying amount of nil is capitalized as the investment cost in CSG Automate Technology (Shanghai) Co., Ltd. for the year ended December 31, 2023.

27. DEFERRED INCOME TAX

The Group

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to the same tax authority.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross deferred tax assets	56,039	56,795	64,199	72,194
Offsetting against deferred tax liabilities	(2,166)	(1,122)	(1,958)	(1,843)
Net deferred tax assets	53,873	55,673	62,241	70,351
Gross deferred tax liabilities	2,579	1,367	2,195	5,414
Offsetting against deferred tax assets	(2,166)	(1,122)	(1,958)	(1,843)
Net deferred tax liabilities	413	245	237	3,571

(a) Deferred tax assets

The movements in deferred tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Impairment provision	Unrealized profit from intra-group transactions	Tax losses	Accrued expenses	Lease liability	Government grants	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	32,854	620	21,277	2,963	2,893	767	–	61,374
Acquisition of subsidiary *(Note 48)*	518	–	–	–	–	–	–	518
Disposal of subsidiary *(Note 47)*	(2,168)	–	–	(312)	–	–	–	(2,480)
Recognized in profit or loss	1,801	(439)	(4,521)	612	(665)	(161)	–	(3,373)
As at December 31, 2023 and January 1, 2024	33,005	181	16,756	3,263	2,228	606	–	56,039
Disposal of subsidiary *(Note 47)*	(1,136)	–	–	(610)	–	(107)	–	(1,853)
Recognized in profit or loss	4,272	(132)	228	(362)	(1,143)	(254)	–	2,609
As at December 31, 2024 and January 1, 2025	36,141	49	16,984	2,291	1,085	245	–	56,795
Recognized in profit or loss	1,670	–	2,897	238	885	(4)	1,718	7,404
As at December 31, 2025 and January 1, 2026	37,811	49	19,881	2,529	1,970	241	1,718	64,199
Acquisition of subsidiary	3,981	–	–	661	–	–	–	4,642
Recognised in profit or loss	891	(49)	1,660	(462)	(54)	(2)	1,369	3,353
As at June 30, 2026	**42,683**	**–**	**21,541**	**2,728**	**1,916**	**239**	**3,087**	**72,194**

(b) Deferred tax liabilities

The movements in deferred tax liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Fair value adjustments arising from acquisition of subsidiaries	Right-of-use assets	Fair value changes of financial assets at fair value	Depreciation of property, plant and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	418	2,772	58	–	3,248
Recognized in profit or loss	(167)	(545)	34	9	(669)
As at December 31, 2023 and January 1, 2024	251	2,227	92	9	2,579
Recognized in profit or loss	(7)	(1,110)	(91)	(4)	(1,212)
As at December 31, 2024 and January 1, 2025	244	1,117	1	5	1,367
Recognized in profit or loss	(8)	808	33	(5)	828
As at December 31, 2025 and January 1, 2026	236	1,925	34	–	2,195
Acquisition of subsidiary	3,395	–	–	–	3,395
Recognised in profit or loss	(62)	(140)	26	–	(176)
As at June 30, 2026	**3,569**	**1,785**	**60**	**–**	**5,414**

(c) Tax losses and deductible temporary differences with deferred tax assets not recognized

Deferred tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable. Deferred tax assets have not been recognized in respect of the following items:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	2,022,897	961,504	1,034,188	1,113,059
Deductible temporary differences	708,770	471,220	412,374	371,905
	2,731,667	1,432,724	1,446,562	1,484,964

The Group has unused tax losses of approximately RMB2,134,600,000, RMB1,074,728,000, RMB1,166,726,000 and RMB1,257,000 as at December 31, 2023, 2024 and 2025 and June 30, 2026, respectively, available for offset against future profits. No deferred tax asset has been recognised for these tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB2,022,897,000, RMB961,504,000, RMB1,034,188,000 and RMB1,113,059,000, respectively.

Deductible tax losses that are not recognized for deferred tax assets will expire as follows:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2024	33,199	–	–	–
2025	13,450	–	–	–
2026	66,251	–	–	–
2027	11,772	11,772	11,772	11,772
2028	43,588	43,588	33,069	33,069

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2029	299,183	81,243	81,243	81,243
2030	393,250	115,638	124,866	118,190
2031	541,344	179,557	179,557	183,688
2032	325,629	169,427	169,427	169,427
2033	295,231	208,355	208,355	208,355
2034	–	151,924	151,924	151,924
2035	–	–	73,975	73,975
2036	–	–	–	81,416
	2,022,897	961,504	1,034,188	1,113,059

28. INVENTORIES

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	173,096	111,578	96,290	198,782
Work in progress	583,493	286,707	341,461	432,399
Finished goods	598,858	693,082	466,302	461,317
	1,355,447	1,091,367	904,053	1,092,498
Less: provision for impairment *(Note)*	(133,764)	(102,344)	(58,169)	(59,792)
	1,221,683	989,023	845,884	1,032,706

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	274	11,156	8,815	63,710
Work in progress	2,540	9,142	8,446	16,117
Finished goods	111,922	140,601	80,715	67,103
	114,736	160,899	97,976	146,930
Less: provision for impairment *(Note)*	–	(4,730)	(4,879)	(5,086)
	114,736	156,169	93,097	141,844

Note: Inventories are stated at the lower of cost and net realizable value at the end of each reporting period. The net realizable value is the estimated selling price in the current course of business, less applicable costs, selling expenses and tax charges. Management of the Group and the Company make the best estimate on the net realizable value and the corresponding impairment of inventory, while the impairment assessment may still be significantly changed due to the change of market conditions.

29. RESTRICTED BANK DEPOSITS

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted time deposits	145,000	–	–	–
Guarantee deposits *(Note)*	143,960	150,974	123,531	76,276
Others	18,630	25,940	16,234	17,834
	307,590	176,914	139,765	94,110

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Restricted time deposits	145,000	–	–	–
Guarantee deposits *(Note)*	33,730	10,835	88	16
	178,730	10,835	88	16

Note: Guarantee deposits of the Group and the Company mainly include special-purpose accounts, frozen credit limits, bill deposits, guarantee deposits, letter of credit deposits, and custodial accounts.

30. CASH AND CASH EQUIVALENTS

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash in bank	367,426	419,018	448,022	262,764

Denominated in:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	359,517	410,642	443,076	256,093
EUR	4,309	8,032	4,846	4,484
USD	3,600	344	100	2,187
	367,426	419,018	448,022	262,764

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 authorized to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash in bank	79,185	49,404	105,322	32,170

Denominated in:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	79,185	49,404	105,322	32,170

31. TRADE AND NOTES PAYABLES

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,397,958	1,200,983	1,188,840	1,407,996
Notes payables	462,050	529,476	504,460	387,184
	1,860,008	1,730,459	1,693,300	1,795,180

The carrying amounts of the Group's trade and notes payables approximated their fair values as at the balance sheet dates.

The credit period granted by suppliers generally ranges from 30 to 90 days. The aging analysis of the trade payables of the Group as at December 31, 2023, 2024 and 2025 and June 30, 2026 based on recognition date is as follows:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
– Within 1 year	1,256,991	1,060,098	1,068,582	1,247,965
– Over 1 year but within 2 years	78,228	87,482	67,619	90,716
– Over 2 years but within 3 years	38,024	27,665	31,694	32,278
– Over 3 years	24,715	25,738	20,945	37,037
	1,397,958	1,200,983	1,188,840	1,407,996

As at the end of each reporting period, no matured notes payable were unpaid.

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
– Due to other parties	1,275,916	687,738	564,316	812,778
– Due to subsidiaries	25,147	45,353	66,843	–
	1,301,063	733,091	631,159	812,778
Notes payables	110,000	20,000	39,350	–
	1,411,063	753,091	670,509	812,778

The aging analysis of the trade payables of the Company as at December 31, 2023, 2024 and 2025 and June 30, 2026 based on recognized date is as follows:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
– Within 1 year	1,295,927	593,288	625,378	801,475
– Over 1 year but within 2 years	1,611	136,921	1,169	4,567
– Over 2 years but within 3 years	534	483	1,962	2,451
– Over 3 years	2,991	2,399	2,650	4,285
	1,301,063	733,091	631,159	812,778

32. CONTRACT LIABILITIES

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance payments from customers	699,445	541,845	505,314	468,904

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance payments from customers				
– Advance from subsidiaries	7,568	–	–	–
– Advance from other parties	131,840	177,653	140,858	72,073
	139,408	177,653	140,858	72,073

Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized during the Track Record Period relates to carried-forward contract liabilities:

The Group

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue recognized that was included in the contract liability balance at the beginning of the year	501,261	359,226	405,252	316,799	280,566

33. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Endorsed notes receivables that have not been derecognised and not yet due	130,550	84,677	67,317	52,698
Employee benefits payables	79,418	60,699	64,047	38,439
Redemption liability of non-controlling interests *(Note)*	33,600	36,400	39,200	40,600
Accrued expenses	34,769	27,812	39,951	48,547
Tax payable	26,220	35,678	40,230	20,196
Construction and equipment payables	23,862	6,055	9,237	24,551
Deferred output VAT	5,554	3,121	8,190	2,662
Deposits received	11,272	7,654	6,431	4,067
Payables for acquisition of subsidiaries	3,000	–	–	15,120
Warranty provisions	–	–	21,235	23,317
Share incentive scheme contributions received in advance	–	–	–	11,784
Others	3,449	1,056	105	3,585
	351,694	263,152	295,943	285,566

Note: In 2021, a subsidiary entered into an investment agreement with certain investors ("Investors") to inject capital of RMB28,000,000, which represents 18% equity interest in the subsidiary. Pursuant to the investment agreements, the Investors have rights to require the subsidiary to redeem their investments if the subsidiary fails to meet the performance target in coming 5 years. The redemption amount is the total amount paid by the Investors to obtain the equity interest of the subsidiary, plus an annual simple interest rate of 10% for a period of time commencing from actual payment date of the investment funds and deduct any cash proceeds received, including dividends. Such redemption obligation is recognized as financial liability initially at the present value of the redemption amount and subsequently measured at amortized cost with interest charged in finance costs, and finance cost is recognized in statements of comprehensive income on effective interest method.

The movements of warranty provisions during the Track Record Period are as follows:

	Warranty provisions
	RMB'000
As at January 1, 2023, December 31, 2023 and December 31, 2024	–
Additional provision	21,235
As at December 31, 2025 and January 1, 2026	21,235
Additional provision	23,317
Amounts utilised during the period	(21,235)
As at June 30, 2026	23,317

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Amounts due to subsidiaries	154,161	31,756	49,149	66,892
Endorsed notes receivables that have not been derecognized and not yet due	–	384	15,525	24,027
Employee benefits payables	6,659	8,268	8,643	4,399
Accrued employee reimbursements	1,050	3,117	5,771	4,655
Deferred output VAT	988	199	5,110	–
Deposits received	6,596	3,415	561	–
Construction and equipment payables	659	3,447	4,299	8,647
Payables for acquisition of subsidiaries	3,000	–	–	15,120
Share incentive scheme contributions received in advance	–	–	–	11,784
Others	85	19	–	–
	173,198	50,605	89,058	135,524

34. BORROWINGS

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Unsecured and unguaranteed				
Short-term bank borrowings	60,000	–	–	10,000
Bank borrowings under factoring of receivables *(Note (a))*	294,822	220,243	70,423	106,062
	354,822	220,243	70,423	116,062
Unsecured and guaranteed				
Short-term bank borrowings *(Note (b))*	36,400	32,000	5,000	28,010
Current portion of long-term bank borrowings *(Note (e))*	–	–	–	5,000
	36,400	32,000	5,000	33,010
Secured and guaranteed				
Short-term bank borrowings *(Note (c))*	–	18,400	1,290	10,000
Secured and unguaranteed				
Current portion of long-term bank borrowings *(Note (d))*	15,000	20,000	–	–
	406,222	290,643	76,713	159,072
Non-current				
Unsecured and guaranteed				
Long-term bank borrowings *(Note (e))*	–	–	–	90,000
Secured and unguaranteed				
Long-term bank borrowings (Note (d))	160,000	94,000	–	–
	160,000	94,000	–	90,000
	566,222	384,643	76,713	249,072

As at December 31, 2023, 2024 and 2025 and June 30, 2026, the annual interest rates of short-term bank borrowings ranged from 2.80% to 4.20%, 2.60% to 3.65%, 3.00% to 3.20% and 2.30% to 3.20%, respectively.

As at December 31, 2023, 2024 and 2025 and June 30, 2026, the annual interest rates of long-term bank borrowings ranged from 4.45% to 4.70%, 3.60% to 4.90%, nil and 2.50%, respectively.

Notes:

(a) As at December 31, 2023, 2024, and 2025 and June 30, 2026, the Company discounted with banks undue notes receivable and letters of credit.

(b) As at December 31, 2023, 2024, and 2025 and June 30, 2026, the bank borrowings are guaranteed by the Company and CSG Smart Robot Technology Co., Ltd., a subsidiary, amounted to approximately RMB36,400,000, RMB32,000,000, RMB5,000,000 and RMB28,010,000, respectively.

(c) As at December 31, 2024, the bank borrowings are guaranteed by the Company and secured by a pledge of the patent rights owned by Shenzhen HW Automation Equipment Co., Ltd., a subsidiary. As at December 31, 2024, the carrying amounts of the patent rights are nil. As at December 31, 2025, the bank borrowings are guaranteed by the Company and secured by a pledge of the patent rights owned by Shanghai Xinchen Intelligent Technology Co., Ltd., which was a subsidiary of the Company as at that date. As at December 31, 2025, the carrying amounts of the patent rights are nil. As at June 30, 2026, the bank borrowings are guaranteed by Mao Feng, Deng Wenwen, Ying Hongxi, Lin Ziai, Zhou Xiongfei, Mao Xuezhen, Wu Bin and Cai Aiqing and secured by the properties under Jiangshan Anbo Pharmaceutical Management Co., Ltd.

(d) As at December 31, 2023 and 2024, the bank borrowings are secured by the Group's property amounted to approximately RMB175,000,000 and RMB114,000,000, respectively. Details are set out in Note 40.

(e) As at June 30, 2026, the bank borrowings are guaranteed by the CSG Smart Robot Technology Co., Ltd., a subsidiary of the Company.

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Unsecured and unguaranteed				
Short-term bank borrowings	60,000	–	–	–
Bank borrowings under factoring of receivables	–	119,500	20,000	20,000
	60,000	119,500	20,000	20,000
Unsecured and guaranteed				
Current portion of long-term bank borrowings	–	–	–	5,000
	60,000	119,500	20,000	25,000
Non-current				
Unsecured and guaranteed				
Long-term bank borrowings	–	–	–	90,000
	60,000	119,500	20,000	115,000

The Group's and the Company's borrowings were repayable as follows:

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analyzed as:				
– Within 1 year	406,222	290,643	76,713	159,072
– Over 1 year but within 2 years	25,000	10,000	–	10,000
– Over 2 years but within 3 years	10,000	10,000	–	20,000
– Over 3 years	125,000	74,000	–	60,000
	566,222	384,643	76,713	249,072

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analyzed as:				
– Within 1 year	60,000	119,500	20,000	25,000
– Over 1 year but within 2 years	–	–	–	5,000
– Over 2 years but within 3 years	–	–	–	10,000
– Over 3 years	–	–	–	75,000
	60,000	119,500	20,000	115,000

The Group's and the Company's borrowings that are denominated in currencies of the relevant group entities are set out below:

The Group

Denominated in:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	566,222	384,643	76,713	249,072

The Company

Denominated in:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	60,000	119,500	20,000	115,000

Details of the Group's borrowing with floating rate are disclosed in Note 46 to the Historical Financial Information.

35. DEFERRED INCOME

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants	225,553	216,122	206,631	182,136

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants	1,728	–	–	–

36. PROVISIONS

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Warranty provisions	31,554	18,794	–	–
Legal claims	–	452	–	–
	31,554	19,246	–	–

The movements of provisions during the Track Record Period are as follows:

	Warranty provisions	Legal claims	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	30,513	–	30,513
Additional provision	31,554	–	31,554
Amounts utilised during the year	(30,513)	–	(30,513)
As at December 31, 2023 and January 1, 2024	31,554	–	31,554
Additional provision	18,794	452	19,246
Amounts utilised during the year	(31,554)	–	(31,554)
As at December 31, 2024 and January 1, 2025	18,794	452	19,246
Amounts utilised during the year	(18,794)	(452)	(19,246)
As at December 31, 2025 and January 1, 2026	–	–	–
Additional provision	–	–	–
Amounts utilised during the period	–	–	–
As at June 30, 2026	**–**	**–**	**–**

37. SHARE CAPITAL AND TREASURY SHARES

The Group and the Company

	As at December 31,			As at June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Share capital	780,242	780,242	778,281	778,281	778,281
Treasury shares reserve	–	(23,997)	–	–	–
	780,242	756,245	778,281	778,281	778,281

The changes in share capital are as follows:

	Share capital
	RMB'000
Ordinary shares of RMB1 each	
As at January 1, 2023, December 31, 2023 and December 31, 2024	780,242
Cancelation of treasury shares *(Note)*	(1,961)
As at June 30, 2025 (unaudited), December 31, 2025 and June 30, 2026	778,281

The detail of the treasury shares reserve of treasury shares outstanding at the end of each year/period for the Track Record Period are as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
At the beginning of the year/period	–	–	23,997	23,997	–
Repurchase of shares	–	23,997	–	–	–
Cancellation of shares	–	–	(23,997)	(23,997)	–
At the end of the year/period	–	23,997	–	–	–

Note:

During the year ended December 31, 2024, the Company repurchased 1,961,000 of its own ordinary shares through the Shenzhen Stock Exchange with an aggregate consideration of approximately RMB24,000,000 paid. The Company canceled these repurchased shares on January 10, 2025.

38. SHARE-BASED COMPENSATION

(a) Share-based payment expenses during the Track Record Period were as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Share-based payment expenses	7,080	1,125	25,782	–	20,542

(b) Restricted Stock Incentive Plans

Pursuant to the "Proposal on the 2025 Restricted Stock Incentive Plan (Draft) and Its Summary of the Company" (the "Incentive Plan 2025") approved at the 4th Meeting of the 6th Board of Directors and the 3rd Meeting of the 6th Board of Supervisors on June 19, 2025, the Company completed the registration of the initial grant of 19,780,000 restricted stocks to 130 incentive participants in June 2025 at an exercise price of RMB4.95 per share, and the vesting periods for the restricted stocks granted are 1 year, 2 years, 3 years and 4 years from the grant date. Pursuant to the Group's performance appraisal and individual performance appraisal, 20%, 20%, 30% and 30% of the restricted stocks will be vested respectively.

On June 29, 2026, the 6th Board of Directors' 14th Meeting approved the "Proposal on the Grant of Reserved Restricted Shares to the Incentive Recipients under the Company's 2025 Restricted Stock Incentive Plan", confirming the reserved grant date as June 29, 2026, and resolved to grant 2,000,000 restricted shares to 33 eligible incentive participants at an exercise price of RMB4.91 per share.

The reserved restricted shares granted shall vest in three tranches over 1 year, 2 years and 3 years from the reserved grant date (i.e., from June 29, 2026), with the maximum vesting percentages of 20%, 30% and 50%, respectively, subject to the satisfaction of both the Group's performance conditions and individual performance appraisals.

Set out below are details of the movements of the outstanding number of the restricted shares throughout the Track Record Period:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	'000	*'000*	*'000*	*'000*
As at the beginning of the year/period	–	–	–	19,700
Granted	–	–	19,780	2,000
Lapsed	–	–	(80)	–
As at end of the year/period	–	–	19,700	21,700

The fair value of the equity-settled equity incentive granted on the grant date is estimated using the Black-Scholes option pricing model, in combination with the terms and conditions of the equity incentive granted. The following table lists the significant inputs to the model used:

	Incentive Plan 2025 July 2025 grant	Incentive Plan 2025 June 2026 grant
Exercise price (RMB) *(Note)*	4.95	4.91
Expected volatility	25.93%-35.21%	23.04%-29.61%
Expected life (Years)	4 years	3 years
Risk-free rate	1.50%-2.75%	1.50%-2.75%

Note: The exercise price of restricted stock may be adjusted in case of any allotments of shares payments of share dividends or other similar changes in the Company's share capital. On April 10, 2026, the Company's Annual General Meeting approved a final dividend of RMB0.40 (tax inclusive) for every 10 shares in respect of the year ended 31 December 2025, equivalent to a cash dividend of RMB0.04 per share (Note 12). As a result of such dividend distribution, and in accordance with the above adjustment mechanism, the exercise price of the restricted shares under the Incentive Plan 2025 has been adjusted from RMB4.95 per share to RMB4.91 per share. Consequently, the exercise price applicable to all restricted shares granted under the Incentive Plan 2025 (including the reserved grant made on June 29, 2026) is RMB4.91 per share.

(c) Restricted Share Incentive Schemes

In August 2022, the Company approved the 2022 Employee Share Ownership Plan ("ESOP") of a subsidiary, Shenzhen HW Automation Equipment Co., Ltd. Pursuant to the ESOP, Shenzhen HW Automation Equipment Co., Ltd. granted approximately 4,286,000 shares of its shares to eligible participants. The grant date was August 8, 2022, with a grant price of RMB1.12 per share.

Subject to the Shenzhen HW Automation Equipment Co., Ltd.'s performance assessment and individual performance evaluation, 30%, 30% and 40% of the granted ESOP shares shall vest within 20 business days after the issuance of the audit reports for the fiscal years 2022, 2023 and 2024, respectively.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	'000	*'000*	*'000*	*'000*
As at the beginning of the year/period	4,286	4,286	4,286	4,286
Granted	–	–	–	–
Released	–	–	–	–
Lapsed	–	–	–	–
As at end of the year/period	4,286	4,286	4,286	4,286

In August 2022, the Company approved the 2022 Employee Share Ownership Plan ("ESOP") of a subsidiary, Hefei Soongo Technology Corp., Ltd. (formerly known as CSG Intelligent (Hefei) Technology Co., Ltd.). Pursuant to the ESOP, Hefei Soongo Technology Corp., Ltd. granted approximately 4,286,000 shares of its shares to eligible participants. The grant date was August 8, 2022, with a grant price of RMB3.89 per share.

Subject to the Hefei Soongo Technology Corp., Ltd.'s performance assessment and individual performance evaluation, 30%, 30% and 40% of the granted ESOP shares shall vest within 20 business days after the issuance of the audit reports for the fiscal years 2022, 2023 and 2024, respectively.

As at December 31, 2023, the number of granted shares outstanding at the beginning of 2023 was approximately 4,285,700 shares, with no movement during the year ended December 31, 2023. In January 2024, the subsidiary, Hefei Soongo Technology Corp., Ltd. was disposed by the Group (Note 47).

39. RESERVE

The Group

During the Track Record Period, the amounts of the Group's reserves and the changes therein are presented in the consolidated statements of changes in equity.

The Company

	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Statutory reserve	(Accumulated losses)/retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	780,242	–	3,549,085	(3,251)	33,244	(2,648,856)	1,710,464
Loss for the year	–	–	–	–	–	(109,686)	(109,686)
Changes in fair value of equity investments at FVTOCI, net of tax	–	–	–	(2,765)	–	–	(2,765)
Total comprehensive loss for the year	–	–	–	(2,765)	–	(109,686)	(112,451)
As at December 31, 2023	780,242	–	3,549,085	(6,016)	33,244	(2,758,542)	1,598,013
As at January 1, 2024	780,242	–	3,549,085	(6,016)	33,244	(2,758,542)	1,598,013
Profit for the year	–	–	–	–	–	118,434	118,434
Changes in fair value of equity investments at FVTOCI, net of tax	–	–	–	140	–	–	140
Total comprehensive income for the year	–	–	–	140	–	118,434	118,574
Repurchase of shares	–	(23,997)	(3)	–	–	–	(24,000)
As at December 31, 2024	780,242	(23,997)	3,549,082	(5,876)	33,244	(2,640,108)	1,692,587

	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Statutory reserve	(Accumulated losses)/retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	780,242	(23,997)	3,549,082	(5,876)	33,244	(2,640,108)	1,692,587
Profit for the year	–	–	–	–	–	212,200	212,200
Changes in fair value of equity investments at FVTOCI, net of tax	–	–	–	826	–	–	826
Total comprehensive income for the year	–	–	–	826	–	212,200	213,026
Appropriation of statutory reserve	–	–	–	–	21,220	(21,220)	–
Treasury shares canceled under share repurchase *(Note 37)*	(1,961)	23,997	(22,036)	–	–	–	–
– Share-based compensation	–	–	25,782	–	–	–	25,782
Offset the accumulated losses of the Company *(Note)*	–	–	(2,559,721)	–	(33,244)	2,592,965	–
Adjustments to capital reserve resulting from disposals of subsidiaries within the Group	–	–	(204,965)	–	–	–	(204,965)
Adjustments to capital reserve resulting from disposals of partial interests in associates within the Group	–	–	(72,432)	–	–	–	(72,432)
As at December 31, 2025	778,281	–	715,710	(5,050)	21,220	143,837	1,653,998
As at January 1, 2025	780,242	(23,997)	3,549,082	(5,876)	33,244	(2,640,108)	1,692,587
Profit for the period (unaudited)	–	–	–	–	–	28,516	28,516
Total comprehensive income for the period (unaudited)	–	–	–	–	–	28,516	28,516
Treasury shares cancelled under share repurchase *(Note 37)* (unaudited)	(1,961)	23,997	(22,036)	–	–	–	–
As at June 30, 2025 (unaudited)	778,281	–	3,527,046	(5,876)	33,244	(2,611,592)	1,721,103
As at January 1, 2026	778,281	–	715,710	(5,050)	21,220	143,837	1,653,998
Loss for the period	–	–	–	–	–	(27,281)	(27,281)
Total comprehensive loss for the period	–	–	–	–	–	(27,281)	(27,281)
Dividends declared *(Note 12)*	–	–	–	–	–	(31,131)	(31,131)
Share-based compensation	–	–	20,542	–	–	–	20,542

	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Statutory reserve	(Accumulated losses)/retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Adjustments to capital reserve resulting from disposals of interests in associates within the Group	–	–	(56,257)	–	–	–	(56,257)
Disposal of financial assets at FVTOCI	–	–	–	–	–	3	3
As at June 30, 2026	778,281	–	679,995	(5,050)	21,220	85,428	1,559,874

Note: Pursuant to the resolution of the 4th Extraordinary Shareholders' Meeting dated November 14, 2025, the Company offset its accumulated losses by utilising RMB 33,244,000 from the statutory reserve and RMB 2,559,721,000 from the capital reserve of the Company, with the total amount of the offset losses being RMB2,592,965,000.

40. PLEDGED ASSETS

The Group

At the end of each reporting period, the Group's certain assets have been pledged to secure notes payables, borrowings and banking facilities granted to the Group. The carrying amounts of the pledged assets of the Group at the end of each reporting period are as follows:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted cash *(Note 29)*	307,590	176,914	139,765	94,110
Notes receivables	174,836	90,187	79,472	68,837
Financial assets at FVTOCI	57,922	16,459	23,296	44,096
Property, plant and equipment *(Note 14)*	192,377	188,376	–	–
Investment properties *(Note 17)*	94,513	88,009	–	–
	827,238	559,945	242,533	207,043

41. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities during the Track Record Period are as follows:

	Borrowings	Lease liabilities	Dividends payable	Total
	RMB'000 *Note 34*	*RMB'000* *Note 15 (b)*	*RMB'000* *Note 12*	*RMB'000*
As at January 1, 2023	669,893	25,584	–	695,477
Cash flows	(115,846)	(19,530)	–	(135,376)
Interest expense	12,175	1,272	–	13,447
New leases or termination	–	20,717	–	20,717
As at December 31, 2023 and January 1, 2024	566,222	28,043	–	594,265
Cash flows	(105,821)	(11,487)	(1,470)	(118,778)
Interest expense	9,242	510	–	9,752
Dividends declared to non-controlling interests of the subsidiary	–	–	1,470	1,470
New leases or termination	–	(6,414)	–	(6,414)
Other non-cash movements *(Note 47)*	(85,000)	(2,915)	–	(87,915)
As at December 31, 2024 and January 1, 2025	384,643	7,737	–	392,380
Cash flows	(309,645)	(12,954)	(1,470)	(324,069)
Interest expense	1,715	816	–	2,531
New leases or termination	–	34,219	–	34,219
Dividends declared to non-controlling interests of the subsidiary	–	–	1,470	1,470
As at December 31, 2025 and January 1, 2026	76,713	29,818	–	106,531

	Borrowings	Lease liabilities	Dividends payable	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	Note 34	*Note 15 (b)*	*Note 12*	
Cash flows	137,459	(5,152)	(31,131)	101,176
Interest expense	508	511	–	1,019
New leases or termination	–	3,415	–	3,415
Dividends declared *(Note 12)*	–	–	31,131	31,131
Other non-cash movements	34,392	–	–	34,392
As at June 30, 2026	249,072	28,592	–	277,664
As at December 31, 2024 and January 1, 2025	384,643	7,737	–	392,380
Cash flows (unaudited)	(169,496)	(6,020)	–	(175,516)
Interest expense (unaudited)	1,294	350	–	1,644
New leases or termination (unaudited)	–	32,265	–	32,265
Other non-cash movements (unaudited)	(55,403)	–	–	(55,403)
As at June 30, 2025 (unaudited)	161,038	34,332	–	195,370

The material non-cash transaction is mainly related to the acquisition of subsidiaries (Note 48) and disposal of equity interest of subsidiaries (Note 47).

42. COMMITMENTS

As at December 31, 2023, 2024 and 2025 and June 30, 2026, the Group's capital commitments contracted but not provided amounted to approximately nil, nil, nil and RMB85,043,000, respectively, primarily related to the construction of the Group's manufacturing bases.

43. RELATED PARTY TRANSACTIONS

Saved as disclosed in elsewhere to the Historical Financial Information, the Group entered into the following related party transactions during the Track Record Period.

(a) Relationships with related parties

Name of related party	Relationship with the Group
Hefei Soongo Technology Corp., Ltd. (Previous name: CSG Intelligent (Hefei) Technology Co., Ltd.)	An associate of the Company (From January 2024) *(Note (a))*
Pinecone Energy (Hefei) Technology Co., Ltd.	An associate of the Company (From July 2024) *(Note (a))*
Jiangsu Hongda Electric Co., Ltd.	An associate of the Company (From June 2023) *(Note (b))*
CSG Intelligent IoT Technology Co., Ltd.	An associate of the Company
Shanghai Yingtong (YT) Electric Co., Ltd.	Used to be an associate of the Company (Ended at September 2023) *(Note (c))*
Shanghai Saika Precision Machinery Co., Ltd.	The Company holds 7% equity interest
Hkust Zhilian (Shanghai) Technology Co., Ltd. (Previous name: Shanghai Xinkeqian IoT Technology Co., Ltd.)	Subsidiary of an associate company
Shanghai Jingshen Intelligent Technology Co., Ltd.	An associate of the Company
Wantou Zhigu Technology Development (Shanghai) Co., Ltd. (Previous name: Shanghai Sizuo Intelligent Technology Co., Ltd.)	An associate of the Company

Name of related party	Relationship with the Group
CSG Automate Technology (Shanghai) Co., Ltd.	Mr. Mu Junbai (Vice President of the Company) served as a director of this company in 2024
Shanghai Saiqian Automation Technology Co., Ltd.	An associate of the Company
Shanghai Dake Real Estate Management Co., Ltd.	The Company holds 13% equity interest
Shanghai Xinchen Intelligent Technology Co., Ltd.	An associate of the Company (From March 2026) *(Note (d))*

Notes:

(a) Hefei Soongo Technology Corp., Ltd. (formerly known as CSG Intelligent (Hefei) Technology Co., Ltd.) transited from a subsidiary of the Group to an associate in January 2024. All transactions between Hefei Soongo Technology Corp., Ltd. (together with its subsidiaries) and the Group subsequent to this transaction date constitute related party transactions. In July 2024, Hefei Soongo Technology Corp., Ltd. established Pinecone Energy (Hefei) Technology Co., Ltd. and held 80% of the equity interest in it.

(b) In May 2023, the Company transferred 5.0% of the equity interests held in Jiangsu Hongda Electric Co., Ltd. to a third party. Subsequent to the completion of the transfer, the Company's equity ownership in Jiangsu Hongda Electric Co., Ltd. was adjusted to 46.00%. The Company also appointed one director to Jiangsu Hongda Electric Co., Ltd. and thereby exercises significant influence over it. Jiangsu Hongda Electric Co., Ltd. has been accounted for as an associate since June 2023.

(c) As of August 2023, when Shanghai Yingtong (YT) Electric Co., Ltd. became a subsidiary of the Group from an associate, all transactions between the Group and Shanghai Yingtong (YT) Electric Co., Ltd. that occurred prior to this date shall continue to be recognized as related party transactions.

(d) In March 2026, the Group disposed of 45% of the equity interest in Shanghai Xinchen Intelligent Technology Co., Ltd. to a third party. Subsequent to the disposal, the Group's equity interest in Shanghai Xinchen Intelligent Technology Co., Ltd. decreased from 55% to 10%. The Group also appoints managerial personnel to Shanghai Xinchen Intelligent Technology Co., Ltd. and thereby exercises significant influence over it. As a result, Shanghai Xinchen Intelligent Technology Co., Ltd. ceased to be a subsidiary of the Group and has been accounted for as an associate since March 2026.

(b) Transactions with related parties

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Purchase of goods:					
Hefei Soongo Technology Corp., Ltd.	–	111,581	121,565	58,260	8,066
Pinecone Energy (Hefei) Technology Co., Ltd.	–	–	114,882	55,521	17,606
Jiangsu Hongda Electric Co., Ltd.	18,552	24,866	20,381	9,125	11,415
CSG Intelligent IoT Technology Co., Ltd.	7,198	2,240	127	20	–
Shanghai Yingtong (YT) Electric Co., Ltd.	6,534	–	–	–	–
	32,284	138,687	256,955	122,926	37,087
Sale of goods:					
CSG Intelligent IoT Technology Co., Ltd.	20,850	600	893	432	1,830
Hefei Soongo Technology Corp., Ltd.	–	–	3,285	3,278	600
Pinecone Energy (Hefei) Technology Co., Ltd.	–	–	9,840	6,247	3,662
Shanghai Saika Precision Machinery Co., Ltd.	221	750	874	447	2,135
Hkust Zhilian (Shanghai) Technology Co., Ltd.	167	6,768	12,690	10,584	3,208
Wantou Zhigu Technology Development (Shanghai) Co., Ltd.	218	249	201	158	85

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Shanghai Jingshen Intelligent Technology Co., Ltd.	27	145	180	137	83
Jiangsu Hongda Electric Co., Ltd.	7,973	912	–	–	45
	29,456	9,424	27,963	21,283	11,648
Rental income:					
Hefei Soongo Technology Corp., Ltd.	–	4,257	4,173	1,972	9,983
Pinecone Energy (Hefei) Technology Co., Ltd.	–	402	782	335	329
Hkust Zhilian (Shanghai) Technology Co., Ltd.	1,155	1,905	2,999	1,574	1,331
Shanghai Saika Precision Machinery Co., Ltd.	–	–	221	110	93
CSG Automate Technology (Shanghai) Co., Ltd.	–	937	–	–	–
	1,155	7,501	8,175	3,991	11,736
Rental payment:					
Wantou Zhigu Technology Development (Shanghai) Co., Ltd.	–	–	1,246	181	1,141
Loans to related parties:					
Wantou Zhigu Technology Development (Shanghai) Co., Ltd.	–	–	4,500	–	–
Shanghai Jingshen Intelligent Technology Co., Ltd.	3,000	1,400	4,400	–	–
	3,000	1,400	8,900	–	–
Receipt of loan repayments from related parties:					
Wantou Zhigu Technology Development (Shanghai) Co., Ltd.	–	–	4,500	–	–
Shanghai Jingshen Intelligent Technology Co., Ltd.	–	–	4,400	–	–
	–	–	8,900	–	–

(c) Balances with related parties

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables:				
Hkust Zhilian (Shanghai) Technology Co., Ltd.	507	2,742	6,087	5,952
CSG Intelligent IoT Technology Co., Ltd.	10,906	6,126	3,411	3,158
Hefei Soongo Technology Corp., Ltd.	–	139	163	–
Pinecone Energy (Hefei) Technology Co., Ltd.	–	269	12,214	6,472
Wantou Zhigu Technology Development (Shanghai) Co., Ltd.	–	–	–	2,504
Shanghai Jingshen Intelligent Technology Co., Ltd.	40	–	86	–
Jiangsu Hongda Electric Co., Ltd.	2,219	4,854	170	48
Shanghai Saika Precision Machinery Co., Ltd.	–	–	–	1,901
	13,672	14,130	22,131	20,035

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables:				
Wantou Zhigu Technology Development (Shanghai) Co., Ltd.	4,239	4,209	7,368	5,435
Shanghai Jingshen Intelligent Technology Co., Ltd.	2,892	4,030	4,180	4,180
Hkust Zhilian (Shanghai) Technology Co., Ltd.	336	262	14	–
CSG Intelligent IoT Technology Co., Ltd.	3	2	14	1
Pinecone Energy (Hefei) Technology Co., Ltd.	–	53	136	455
Hefei Soongo Technology Corp., Ltd.	–	1,310	735	–
Shanghai Saika Precision Machinery Co., Ltd.	–	–	–	24
	7,470	9,866	12,447	10,095
Prepayments:				
CSG Intelligent IoT Technology Co., Ltd.	1,155	731	108	2,282
Shanghai Jingshen Intelligent Technology Co., Ltd. *(Note)*	34	34	–	–
Hefei Soongo Technology Corp., Ltd.	–	–	–	–
Jiangsu Hongda Electric Co., Ltd.	1,866	–	–	–
Shanghai Saika Precision Machinery Co., Ltd.	1,050	398	–	–
	4,105	1,163	108	2,282
Trade and notes payables:				
Hefei Soongo Technology Corp., Ltd.	–	124,300	9,596	33,700
Pinecone Energy (Hefei) Technology Co., Ltd.	–	95,648	70,391	24,756
Jiangsu Hongda Electric Co., Ltd.	59,642	36,876	33,201	45,906
CSG Intelligent IoT Technology Co., Ltd.	35,246	21,812	16,973	18,672
Shanghai Saiqian Automation Technology Co., Ltd.	290	–	–	–
CSG Automate Technology (Shanghai) Co., Ltd.	–	1,006	–	–
	95,178	279,642	130,161	123,034
Contract liabilities:				
CSG Intelligent IoT Technology Co., Ltd.	162	1,446	2,399	2,029
Hkust Zhilian (Shanghai) Technology Co., Ltd.	3,678	6,602	1,878	4,149
Hefei Soongo Technology Corp., Ltd.	–	–	–	93
Shanghai Jingshen Intelligent Technology Co., Ltd.	233	–	–	–
Shanghai Saika Precision Machinery Co., Ltd.	6	6	6	6
	4,079	8,054	4,283	6,277
Other payables:				
Hkust Zhilian (Shanghai) Technology Co., Ltd.	–	325	319	319
Hefei Soongo Technology Corp., Ltd.	–	–	–	–
Shanghai Saika Precision Machinery Co., Ltd.	32	623	–	–
Shanghai Dake Real Estate Management Co., Ltd.	59	59	–	–
CSG Automate Technology (Shanghai) Co., Ltd.	–	129	–	–
	91	1,136	319	319

Note: The non-trade balances with Shanghai Jingshen Intelligent Technology Co., Ltd. represent loans granted by the Company, amounting to RMB2,850,000, RMB4,030,000, RMB4,180,000 and RMB4,180,000 as at December 31, 2023, 2024, and 2025 and June 30, 2026, respectively. The non-trade balances with Wantou Zhigu Technology Development (Shanghai) Co., Ltd. represent loans granted by the Company and advances for electricity charges, amounting to RMB4,239,000, RMB4,209,000, RMB7,368,000 and RMB5,435,000 as at December 31, 2023, 2024, and 2025 and June 30, 2026, respectively. Except for the non-trade balances with these two entities, all other related party balances are trade in nature.

(d) Guarantees for related party borrowing

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Guarantee provided by the Group to Jiangsu Hongda Electric Co., Ltd.	12,616	–	–	–
Guarantee provided by the Group to Shanghai Xinchen Intelligent Technology Co., Ltd.	–	–	–	2,000
	12,616	–	–	2,000

In the opinion of the directors of the Company, the fair values of guarantee provided by the Group to Jiangsu Hongda Electric Co., Ltd. and Shanghai Xinchen Intelligent Technology Co., Ltd. are insignificant.

(e) Compensation of key management personnel of the Group

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Fees	269	269	246	134	101
Salaries, allowances, discretionary bonuses and benefits in kind	5,217	5,846	8,769	2,392	3,091
Retirement scheme contributions	379	436	576	258	296
Share-based payment expenses	–	–	8,703	–	6,934
Total compensation paid to key management personnel	5,865	6,551	18,294	2,784	10,422

44. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each financial instrument as at the end of each year/period for the reporting periods are as follows:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Financial assets				
Financial assets at amortized cost				
– Trade and notes receivables	1,776,356	1,597,413	1,575,088	1,756,984
– Other receivables	105,237	75,014	43,750	66,062
– Restricted bank deposits	307,590	176,914	139,765	94,110
– Cash and cash equivalents	367,426	419,018	448,022	262,764
Financial assets at FVTPL				
– Bank WMPs and structured deposits	209,920	330,791	207,768	148,975
– Listed securities	617	1,641	–	–
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	91,994	45,372	72,873	102,024
– Unlisted equity investments	10,694	10,965	11,791	26,778
	2,869,834	2,657,128	2,499,057	2,457,697

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Financial liabilities				
Financial liabilities measured at amortized cost				
– Trade and notes payables	1,860,008	1,730,459	1,693,300	1,795,180
– Other payables and accruals	246,056	166,775	162,241	185,832
– Borrowings	566,222	384,643	76,713	249,072
– Lease liabilities	28,043	7,737	29,818	28,592
	2,700,329	2,289,614	1,962,072	2,258,676

45. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value in the consolidated statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3 : significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The table below analyses the Group's financial instruments carried at fair value as at December 31, 2023, 2024 and 2025 and June 30, 2026 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

– Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and

– Inputs for the asset or liability that are not based on observable market data (that is, significant unobservable inputs) (Level 3).

(a) Fair value hierarchy

As at December 31, 2023, 2024 and 2025 and June 30, 2026, the financial instruments measured at fair value on a recurring basis by the above three levels were analyzed below:

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Financial assets				
Financial assets at FVTPL				
– Bank WMPs and structured deposits	–	–	209,920	209,920
– Listed securities	617	–	–	617
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	–	–	91,994	91,994
– Unlisted equity investments	–	–	10,694	10,694
	617	–	312,608	313,225

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024				
Financial assets				
Financial assets at FVTPL				
– Bank WMPs and structured deposits	–	–	330,791	330,791
– Listed securities	1,641	–	–	1,641
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	–	–	45,372	45,372
– Unlisted equity investments	–	–	10,965	10,965
	1,641	–	387,128	388,769
As at December 31, 2025				
Financial assets				
Financial assets at FVTPL				
– Bank WMPs and structured deposits	–	–	207,768	207,768
– Listed securities	–	–	–	–
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	–	–	72,873	72,873
– Unlisted equity investments	–	–	11,791	11,791
	–	–	292,432	292,432
As at June 30, 2026				
Financial assets				
Financial assets at FVTPL				
– Bank WMPs and structured deposits	–	–	148,975	148,975
– Listed securities	–	–	–	–
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	–	–	102,024	102,024
– Unlisted equity investments	–	–	26,778	26,778
	–	–	277,777	277,777

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly discounted cash flow approach. The inputs of the valuation technique mainly include expected rate of return, net assets value, and discount rate.

During the Track Record Period, there was no transfer between Level 1 and Level 2 and between Level 2 and Level 3.

The quantitative information of fair value measurements as at December 31, 2023, 2024 and 2025 and June 30, 2026 for Level 3 is as follows:

		As at December 31,			As at June 30,		Range of input(s) As at December 31,			As at June 30,	
	Fair value hierarchy	2023	2024	2025	2026	Valuation technique and key input(s)	2023	2024	2025	2026	Impact of significant unobservable input(s)
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*						
Financial assets at FVTPL											
– Bank WMPs and structured deposits	Level 3	209,920	330,791	207,768	148,975	Expected rate of return	2.23% ~ 5.20%	1.90% ~ 4.08%	1.38% ~ 2.31%	1.38% ~ 3.15%	The higher the expected rate of return, the higher the fair value
Financial assets at FVTOCI											
– Unlisted equity investments	Level 3	10,694	10,965	11,791	26,778	Net assets	N/A	N/A	N/A	NA	The higher the net assets, the higher the fair value
– Notes receivables measured at FVTOCI	Level 3	91,994	45,372	72,873	102,024	Discount rate	1.00% ~ 2.50%	1.00% ~ 2.50%	1.00% ~ 2.50%	1.00% ~ 2.50%	The higher the discount rate, the lower the fair value

As of December 31, 2023, 2024 and 2025 and June 30, 2026, increasing/decreasing expected rate of return by 5% would increase/decrease the fair value of bank WMPs and structured deposits at FVTPL by RMB77,000, RMB14,000, RMB18,000 and RMB19,000, respectively.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, increasing/decreasing discount rate by 5% would decrease/increase the fair value of notes receivables measured at FVTOCI by RMB1,660,000, RMB819,000, RMB1,315,000 and RMB1,841,000, respectively.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, increasing/decreasing net assets by 5% would increase/decrease the fair value of unlisted equity investments measured at FVTOCI by RMB535,000, RMB548,000, RMB590,000 and RMB1,339,000.00, respectively.

(c) The following table presents the changes in level 3 items for the years ended December 31, 2023, 2024 and 2025 and six months ended June 30, 2026:

	Bank WMPs and structured deposits	Notes receivables measured at FVTOCI	Unlisted equity investments
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	346,772	187,837	13,582
Additions	746,148	–	–
Disposals	(857,876)	(95,843)	–
Disposal of subsidiary *(Note 47)*	(41,000)	–	–
Acquisition of subsidiary *(Note 48)*	15,674	–	–
Others	(294)	–	–
Fair value gains/(losses)	496	–	(2,888)
As at December 31, 2023	209,920	91,994	10,694

	Bank WMPs and structured deposits	Notes receivables measured at FVTOCI	Unlisted equity investments
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2024	209,920	91,994	10,694
Additions	1,579,562	–	–
Disposals	(1,449,633)	(11,211)	–
Disposal of subsidiaries *(Note 47)*	–	(35,411)	–
Others	(8,594)	–	–
Fair value (losses)/gains	(464)	–	271
As at December 31, 2024	330,791	45,372	10,965
As at January 1, 2025	330,791	45,372	10,965
Additions	2,119,855	27,501	–
Disposals	(2,243,796)	–	–
Others	60	–	–
Fair value gains	858	–	826
As at December 31, 2025	207,768	72,873	11,791
As at January 1, 2026	207,768	72,873	11,791
Additions	1,022,020	29,151	15,000
Disposals	(1,080,815)	–	(13)
Disposal of subsidiary	(171)	–	–
Fair value gains	173	–	–
As at June 30, 2026	148,975	102,024	26,778

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at December 31, 2023, 2024 and 2025 and June 30, 2026, the Group's major monetary assets and liabilities exposed to foreign currency risk are listed below:

	USD	EUR	JPY	AUD
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Assets	3,819	5,321	–	–
Liabilities	415	–	3	–
Net exposure	3,404	5,321	(3)	–
As at December 31, 2024				
Assets	1,710	9,655	–	–
Liabilities	–	–	221	–
Net exposure	1,710	9,655	(221)	–
As at December 31, 2025				
Assets	3,109	12,760	–	–
Liabilities	79	338	–	–
Net exposure	3,030	12,422	–	–
As at June 30, 2026				
Assets	16,086	5,064	–	13
Liabilities	817	2,036	–	–
Net exposure	15,269	3,028	–	13

Sensitivity analysis

As shown in the table above, the Group is primarily exposed to changes in USD and EUR exchange rates. The sensitivity of profit before income tax to changes in the exchange rates arising from USD and EUR denominated financial instruments is as below:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
USD exchange rate				
– Increase 1%	42	17	32	169
– Decrease 1%	(42)	(17)	(32)	(169)
EUR exchange rate				
– Increase 1%	53	97	131	71
– Decrease 1%	(53)	(97)	(131)	(71)

Price risk

The Group is exposed to equity price risk mainly arising from investments held by the Group that are classified as either FVTPL or FVTOCI. To manage its price risk arising from the investments, the Group diversifies its investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. Each investment is managed by management on a case by case basis.

Interest rate risk

The Group's interest rate risk primarily arises from interest-bearing borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates, and lease liabilities bearing fixed rates expose the Group to fair value interest rate risk.

The Group has been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings at variable rates, which will further impact the performance of the Group.

The following tables list out the interest rate profiles of the Group's variables interest-bearing financial instruments as at December 31, 2023, 2024 and 2025 and June 30, 2026:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Floating rate instruments				
– Borrowings	160,000	94,000	–	90,000

If interest rates of floating rate instruments had been 50 basis points higher/lower with all other variables held constant, the profit before income tax would have been lower/higher by RMB800,000, RMB470,000, RMB nil and RMB450,000 as at December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk is represented by cash and cash equivalents, restricted bank deposits, trade receivables, notes receivables at amortized cost and at FVTOCI, other receivables and contract assets, as disclosed in Note 45 to the Historical Financial Information. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group's concentration of credit risk by geographical locations is mainly in the PRC. As at December 31, 2023, 2024 and 2025 and June 30, 2026, trade receivables reported by the Group's operating entities in the PRC accounted for 100%, 100%, 100% and 100% of the total trade receivables, respectively. The Group has a concentration of credit risk. As at December 31, 2023, 2024 and 2025 and June 30, 2026, trade receivables due from the Group's largest single customer accounted for 13.8%, 13.0%, 13.4% and 11.5% of the total trade receivables, respectively. As at December 31, 2023, 2024 and 2025 and June 30, 2026, trade receivables due from the Group's five largest customers accounted for 23.8%, 20.7%, 23.4% and 16.7% of the total trade receivables, respectively. In addition, there is a concentration of credit risk on bank balances, pledged bank deposits and term deposits which are deposited with several authorised banks in the PRC. Other than the above, the Group does not have any other significant concentration of credit risk.

As at December 31, 2023, 2024 and 2025 and June 30, 2026, The Group have no credit risk other than financial assets whose carrying amounts best represent the maximum exposure to credit risk.

(a) Cash and cash equivalents and restricted bank deposits

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. Cash and cash equivalents, time deposits and restricted bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(b) Trade receivables, notes receivables at amortized cost and contract assets

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected for all trade receivables, notes receivables and contract assets. To measure the expected credit losses, trade receivables, notes receivables and contract assets have been grouped based on shared credit risk characteristics and aging.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales and probability of default of counter parties on an ongoing basis throughout each year/period for the Track Record Period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product, inflation rates, and unemployment rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade receivables, notes receivables and contract assets are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognized impairment losses.

The Group's trade receivables and contract assets as described in Note 24 and Note 25 mainly represented receivables received from the sales of products to customers.

Trade receivables

Except for receivables assessed for credit risk on an individual basis, the Group groups its receivables into different portfolios based on common credit risk characteristics as below:

Group 1: Receivables from customers excluding related parties not within the consolidated entity

Group 2: Receivables due from related parties within the consolidated entity

As at December 31, 2023, 2024 and 2025 and June 30, 2026, the provision of impairment for the trade receivables were determined as follows:

	Gross carrying amount	Provision of impairment	Average expected loss rate
	RMB'000	*RMB'000*	
As at December 31, 2023			
Assessed based on group 1	1,790,257	(215,218)	12.02%
Assessed individually	215,032	(215,032)	100.00%
	2,005,289	(430,250)	21.46%
As at December 31, 2024			
Assessed based on group 1	1,686,570	(228,625)	13.56%
Assessed individually	126,758	(125,494)	99.00%
	1,813,328	(354,119)	19.53%
As at December 31, 2025			
Assessed based on group 1	1,702,998	(228,651)	13.43%
Assessed individually	102,921	(102,921)	100%
	1,805,919	(331,572)	18.36%
As at June 30, 2026			
Assessed based on group 1	1,911,925	(246,366)	12.89%
Assessed individually	104,733	(104,733)	100%
	2,016,658	(351,099)	17.41%

Notes receivables

The Group measured provision of impairment of notes receivables based on the lifetime ECL and assessed that there was no significant credit risk associated with its bank acceptance notes issued by large-size banks as the Group did not expect that there would be any significant losses from non-performance by these reputable banks. As at December 31, 2023, 2024 and 2025 and June 30, 2026, the provision of impairment for the trade receivables were determined as follows:

	Gross carrying amount	Provision of impairment	Average expected loss rate
	RMB'000	*RMB'000*	
As at December 31, 2023			
Bank acceptance notes	173,016	–	0.00%
Commercial acceptance notes	33,366	(5,065)	15.18%
	206,382	(5,065)	2.45%
As at December 31, 2024			
Bank acceptance notes	100,615	–	0.00%
Commercial acceptance notes	40,287	(2,698)	6.70%
	140,902	(2,698)	1.91%
As at December 31, 2025			
Bank acceptance notes	72,809	–	0.00%
Commercial acceptance notes	31,457	(3,525)	11.20%
	104,266	(3,525)	3.38%
As at June 30, 2026			
Bank acceptance notes	61,418	–	0.00%
Commercial acceptance notes	31,449	(1,442)	4.59%
	92,867	(1,442)	1.55%

Contract assets

For contract assets, the Group measures the loss provision based on the lifetime ECL regardless of whether there exists a significant financing component. Except for contract assets assessed for credit risk on an individual basis, the Group groups its contract assets into different portfolios based on common credit risk characteristics as below:

Group 1: Construction Projects in Progress

Group 2: retention receivables under retention period

Set out below is the information about credit risk exposure on the Group's contract assets:

	Gross carrying amount	Provision of impairment	Average expected loss rate
	RMB'000	*RMB'000*	
As at December 31, 2023			
Assessed based on group 2	103,151	(7,825)	7.59%
As at December 31, 2024			
Assessed based on group 2	60,499	(4,553)	7.53%
As at December 31, 2025			
Assessed based on group 2	85,233	(5,700)	6.69%
As at June 30, 2026			
Assessed based on group 2	83,601	(5,378)	6.43%

(c) Other receivables

Over the term of other receivables, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. To assess whether there is a significant increase in credit risk in other receivables, the Group compares the risk of a default occurring on the financial assets at the end of each year/period for the Track Record Period with the risk of default at the date of initial recognition. It considers available, reasonable, supportive forward-looking information. Especially, the following indicators are incorporated:

- external credit rating of the counterparty (as far as available).
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- actual or expected significant changes in the operating results of the counterparty; and
- significant expected changes in the performance and behavior of the counterparty, including changes in the payment status of the counterparty.

Based on historical experiences and consideration of forward-looking information, other receivables from related parties were settled within 12 months after upon maturity hence the ECL is minimal. The impairment on other receivables as stated in Note 26 to the Historical Financial Information were accounted as amortized cost is measured as either 12-month ECL or lifetime ECL. On such basis, the following table sets forth the impairment for other receivables as at December 31, 2023, 2024 and 2025 and June 30, 2026:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	*Lifetime ECL*	*Lifetime ECL*	
As at December 31, 2023				
Expected loss rate	14.76%	–	100.00%	19.56%
Gross carrying amount (RMB'000)	123,460	–	7,359	130,819
Provision of impairment (RMB'000)	(18,223)	–	(7,359)	(25,582)

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	*Lifetime ECL*	*Lifetime ECL*	
As at December 31, 2024				
Expected loss rate	18.14%	–	100.00%	23.08%
Gross carrying amount (RMB'000)	91,639	–	5,882	97,521
Provision of impairment (RMB'000)	(16,625)	–	(5,882)	(22,507)
As at December 31, 2025				
Expected loss rate	20.50%	–	100.00%	25.93%
Gross carrying amount (RMB'000)	55,029	–	4,037	59,066
Provision of impairment (RMB'000)	(11,279)	–	(4,037)	(15,316)
As at June 30, 2026				
Expected loss rate	17.01%	–	100.00%	21.02%
Gross carrying amount (RMB'000)	79,602	–	4,037	83,639
Provision of impairment (RMB'000)	(13,540)	–	(4,037)	(17,577)

Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate balances of such. The table below analyses the Group's financial liabilities by relevant maturity groupings based on the remaining period since the end of each year/period for the Track Record Period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows amount of the financial liabilities to be delivered.

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023					
Borrowings	408,359	26,800	11,080	126,620	572,859
Trade and notes payables	1,860,008	–	–	–	1,860,008
Other payables and accruals	246,056	–	–	–	246,056
Lease liabilities	15,112	8,823	2,771	2,963	29,669
	2,529,535	35,623	13,851	129,583	2,708,592
As at December 31, 2024					
Borrowings	291,412	10,720	11,080	84,656	397,868
Trade and notes payables	1,730,459	–	–	–	1,730,459
Other payables and accruals	166,775	–	–	–	166,775
Lease liabilities	6,921	1,072	–	–	7,993
	2,195,567	11,792	11,080	84,656	2,303,095
As at December 31, 2025					
Borrowings	77,922	–	–	–	77,922
Trade and notes payables	1,693,300	–	–	–	1,693,300
Other payables and accruals	162,241	–	–	–	162,241
Lease liabilities	13,205	11,507	5,116	1,632	31,460
	1,946,668	11,507	5,116	1,632	1,964,923

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at June 30, 2026					
Borrowings	163,212	10,350	20,700	62,100	256,362
Trade and notes payables	1,795,180	–	–	–	1,795,180
Other payables and accruals	185,832	–	–	–	185,832
Lease liabilities	14,205	7,385	3,957	4,298	29,845
	2,158,429	17,735	24,657	66,398	2,267,219

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the subject assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to the shareholders or return capital to the shareholders. The Group is not subject to any external capital requirements. During the Track Record Period, there were no changes in capital management objectives, policies or procedures.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	5,442,552	4,887,677	4,623,101	4,995,426
Total liabilities	3,776,158	3,178,824	2,814,017	3,025,257
Liability-to-asset ratio	69.38%	65.04%	60.87%	60.56%

As at December 31, 2023, 2024 and 2025 and June 30, 2026, the Group has no significant outstanding litigation or contingent liability that in the opinion of the directors of the Company would have material impact to the Group's financial position.

47. DISPOSALS OF SUBSIDIARIES

(a) On May 16, 2023, the Group sold 5% of the equity interest in Jiangsu Hongda Electric Co., Ltd. to Mr. Shu Mingliang, an independent third party, for a total consideration of approximately RMB17,500,000. Following this disposal, the Company's equity interest in Jiangsu Hongda Electric Co., Ltd. decreased from 51% to 46% as of December 31, 2023 and accounted for as an associate upon the disposal.

Analysis of the assets and liabilities of Jiangsu Hongda Electric Co., Ltd. as at disposal date was as follows:

	RMB'000
Cash and cash equivalents	46,829
Property, plant and equipment	7,038
Intangible assets	408
Deferred tax assets	2,480
Financial assets at FVTPL	41,000
Trade and notes receivables	224,339
Inventories	65,219
Trade and notes payables	(128,383)
Other assets	16,696
Other liabilities	(10,829)
	264,797

	RMB'000
Total consideration	17,500
Less: net assets disposed of	264,797
Less: goodwill	51,144
Plus: non-controlling interests	129,750
Plus: fair value of the equity interest retained *(Note 18)*	161,000
Loss on disposal of subsidiaries	(7,691)
Total consideration	17,500
Less: Cash and cash equivalents disposed of	(46,829)
Net cash outflow arising on disposal	(29,329)

(b) On January 8, 2024, the Group disposed of 100% of the equity interest in CSG Automate Technology (Shanghai) Co., Ltd. to the independent third parties, Shanghai Linghang Yibai Robot Co., Ltd. and Shanghai Weiyu Automation Equipment Co., Ltd. for total consideration of approximately RMB3,000,000. Following this disposal, the Company's equity interest in CSG Automate Technology (Shanghai) Co., Ltd. decreased from 100% to 0% as of December 31, 2024.

Analysis of the assets and liabilities of CSG Automate Technology (Shanghai) Co., Ltd. as at disposal date was as follows:

	RMB'000
Cash and cash equivalents	6,352
Property, plant and equipment	600
Intangible assets	21
Trade and notes receivables	27,538
Inventories	133,899
Financial assets at FVTOCI	6,088
Trade and notes payables	(57,271)
Contract liabilities	(118,071)
Other assets	7,360
Other liabilities	(10,388)
	(3,872)
Total consideration	3,000
Less: net liabilities disposed of	(3,872)
Gain on disposal of subsidiaries	6,872
Total consideration	3,000
Less: Cash and cash equivalents disposed of	(6,352)
Net cash outflow arising on disposal	(3,352)

(c) On January 17, 2024, the Group disposed of 55% of the equity interest in Huaxiao Precision (Suzhou) Co., Ltd. to Mr. Lu Bing, a director of Huaxiao Precision (Suzhou) Co., Ltd., and Suzhou Jianlong Zaitian Enterprise Management Partnership (Limited Partnership) which was ultimately controlled by Mr. Lu Bing., for a total consideration of approximately RMB23,000,000. Following this disposal, the Company's equity interest in Huaxiao Precision (Suzhou) Co., Ltd. decreased from 55% to 0% as of December 31, 2024.

Analysis of the assets and liabilities of Huaxiao Precision (Suzhou) Co., Ltd. as at disposal date was as follows:

	RMB'000
Cash and cash equivalents	7,247
Property, plant and equipment	6,578
Intangible assets	828
Right-of-use assets	2,915
Trade and notes receivables	81,870
Financial assets at FVTOCI	8,180
Inventories	87,200
Trade and notes payables	(116,298)
Contract liabilities	(70,905)
Lease liabilities	(2,915)
Other payables and accruals	(70,410)
Other assets	26,420
Other liabilities	(6,468)
	(45,758)
Total consideration	23,000
Less: net liabilities disposed of	(45,758)
Plus: non-controlling interests	(20,493)
Less: receivables from Huaxiao Precision (Suzhou) Co., Ltd.	56,153
Loss on disposal of subsidiaries	(7,888)
Total consideration	23,000
Less: bank balances and cash disposed of	(7,247)
Less: consideration for disposal of a subsidiary	(7,042)
Net cash inflow arising on disposal	8,711

(d) On January 10, 2024, the Group disposed of 50% of the equity interest in Hefei Soongo Technology Corp., Ltd. (formerly known as CSG Intelligent (Hefei) Technology Co., Ltd.) to Hefei Songguo Power Technology Partnership (Limited Partnership), an independent third party, for a total consideration of approximately RMB50,000,000. Following this disposal, the Company's equity interest in Hefei Soongo Technology Corp., Ltd. decreased from 70% to 20% and accounted for as an associate as of December 31, 2024.

Analysis of the assets and liabilities of Hefei Soongo Technology Corp., Ltd. as at disposal date was as follows:

	RMB'000
Cash and cash equivalents	20,247
Property, plant and equipment	17,679
Intangible assets	1,303
Deferred tax assets	1,853
Trade and notes receivables	280,244
Financial assets at FVTOCI	21,143
Inventories	208,849
Trade and notes payables	(379,527)
Borrowings	(85,000)
Other assets	42,912
Other liabilities	(45,092)
	84,611

	RMB'000
Total consideration	50,000
Less: net assets disposed of	84,611
Plus: non-controlling interests	25,716
Plus: fair value of the equity interest retained *(Note 18)*	19,240
Gain on disposal of subsidiaries	10,345
Total consideration	50,000
Less: Cash and cash equivalents disposed of	(20,247)
Net cash inflow arising on disposal	29,753

(e) On March 24, 2026, the Group disposed of 45% of the equity interest in Shanghai Xinchen Intelligent Technology Co., Ltd. for a total consideration of approximately RMB2,250,000. Following the disposal, Group's equity interest in Shanghai Xinchen Intelligent Technology Co., Ltd. decreased from 55% to 10%. The Group also appoints managerial personnel to Shanghai Xinchen Intelligent Technology Co., Ltd. and thereby exercises significant influence over it. As a result, Shanghai Xinchen Intelligent Technology Co., Ltd. ceased to be a subsidiary of the Group and was accounted for as an associate. The transaction of disposal of Shanghai Xinchen Intelligent Technology Co., Ltd. during the six months ended June 30, 2026 had no significant impact on the Group's consolidated financial statements.

48. ACQUISITION OF SUBSIDIARIES

(a) The Group holds 20% equity interest in Shanghai Yingtong (YT) Electric Co., Ltd. and Shanghai Yingtong (YT) Electric Co., Ltd. is accounted for as an associate as at January 1, 2023. On August 17, 2023, the Group completed the acquisition of 31% equity interests in Shanghai Yingtong (YT) Electric Co., Ltd., at a total cash consideration of approximately RMB 18,600,000. Pursuant to the acquisition, the Group acquired (i) 26% equity interests from Mr. Zhong Junwei, an independent third party; and (ii) 5% equity interests from KBR Power Quality Management (Shanghai) Co., Ltd. (柯貝爾電能質量技術(上海)有限公司), an independent third party. Upon completion of the acquisition, the Group held in aggregate of 51% equity interest in Shanghai Yingtong (YT) Electric Co., Ltd. and Shanghai Yingtong (YT) Electric Co., Ltd. is accounted for as a subsidiary of the Group.

The fair values of the identifiable assets and liabilities of Shanghai Yingtong (YT) Electric Co., Ltd. as at acquisition date are set out below:

	RMB'000
Cash and cash equivalents	4,837
Trade and notes receivables	39,972
Property, plant and equipment	4,079
Inventories	13,114
Prepayments, other receivables and other assets	4,853
Intangible assets	83
Financial assets at FVTPL	15,674
Right-of-use assets	1,725
Deferred tax assets	518
Trade and notes payables	(21,290)
Contract liabilities	(1,561)
Other payables and accruals	(6,008)
Other non-current liabilities	(2,049)
Total identifiable net assets at fair value	53,947
Total consideration	18,600
Plus: interest in associate	12,000
Plus: non-controlling interests	26,434
Less: fair value of net assets acquired	53,947
Goodwill arising from acquisition *(Note) (Note 21)*	3,087

Note: Included in the goodwill of RMB3,087,000 recognised above is attributable to the synergy of business expansion, which does not meet the criteria for recognition as an intangible asset separately under IAS 38 Intangible Assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flow in respect of the acquisition of Shanghai Yingtong (YT) Electric Co., Ltd. is as follows:

	RMB'000
Cash consideration	18,600
Cash and bank balances acquired	(4,837)
Net cash outflow arising on acquisition	13,763

Included in the revenue and profit for the year ended December 31, 2023 are revenue of RMB16,435,000 and gain of RMB3,003,000, respectively, contributed from Shanghai Yingtong (YT) Electric Co., Ltd. since the acquisition date.

If the acquisition had occurred on January 1, 2023, Group's revenue and loss for the year ended December 31, 2023 would have been approximately of RMB3,109,384,000 and approximately of RMB162,058,000, respectively. This information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2023, nor is it intended to be a projection of future performance.

(b) On May 11, 2026, the Group entered into an equity transfer agreement with Mr. Mao Feng, Mr. Zhou Xiongfei, Mr. Wu Bin and Mr. Ying Hongxi, all independent third parties. Pursuant to the agreement, the Group completed the acquisition of an aggregate of 70% equity interest in Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. at a total cash consideration of RMB151,200,000. The consideration was determined after arm's length negotiations with reference to the agreed valuation as assessed by an independent valuer.

Immediately upon completion of the acquisition on May 11, 2026, Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. is held as to 70% equity interest by the Group, with the remaining 18.0%, 4.0%, 4.0% and 4.0% equity interest held by Mr. Mao Feng, Mr. Zhou Xiongfei, Mr. Wu Bin and Mr. Ying Hongxi, respectively. As the Group obtained control over Zhejiang Jiangshan Yuanguang Electrical Co., Ltd., it is accounted for as a subsidiary of the Group.

Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. is primarily engaged in the manufacturing of power transformers.

The fair values of the identifiable assets and liabilities of Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. as at acquisition date are set out below:

	RMB'000
Cash and cash equivalents	20,834
Restricted bank deposits	11,920
Trade and notes receivables	113,781
Property, plant and equipment	97,137
Inventories	92,096
Prepayments, other receivables and other assets	16,245
Intangible assets	9,196
Right-of-use assets	17,018
Other assets	8,750
Trade and notes payables	(74,068)
Contract liabilities	(34,974)
Other payables and accruals	(40,156)
Borrowings	(32,038)
Other liabilities	(6,194)
Total identifiable net assets at fair value	199,547

	RMB'000
Total consideration	151,200
Plus: non-controlling interests	59,864
Less: fair value of net assets acquired	199,547
Goodwill arising from acquisition *(Note) (Note 21)*	11,517

Note: Included in the goodwill of RMB11,517,000 recognised above is attributable to the synergy of business expansion, which does not meet the criteria for recognition as an intangible asset separately under IAS 38 Intangible Assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flow in respect of the acquisition of Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. is as follows:

	RMB'000
Total cash consideration to be paid	151,200
Less: consideration payable upon satisfaction of certain condition	(15,120)
Cash and bank balances acquired	(20,834)
Net cash outflow arising on acquisition	115,246

Included in the revenue and profit for the six months ended June 30, 2026 are revenue of RMB39,092,000 and gain of RMB3,045,000, respectively, contributed from Zhejiang Jiangshan Yuanguang Electrical Co., Ltd. since the acquisition date.

If the acquisition had occurred on January 1, 2026, Group's revenue and profit for the six months ended June 30, 2026 would have been approximately of RMB1,597,453,000 and approximately of RMB97,101,000, respectively. This information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2026, nor is it intended to be a projection of future performance.

49. CONTINGENT LIABILITY

As of the end of each year/period during the Track Record Period, the Group did not have any material contingent liabilities.

50. EVENT AFTER THE END OF THE REPORTING PERIOD

Upon satisfaction of vesting conditions for the first vesting period under the 2025 Restricted Stock Incentive Plan (initial grant), the Board of Directors approved the vesting of 3,940,000 shares at an exercise price of RMB4.91 per share on June 29, 2026. The aforesaid shares were officially issued and became tradable on July 13, 2026. The Company received subscription proceeds of approximately RMB19,345,000, contributing to an increase of approximately RMB3,940,000 in share capital and RMB15,405,000 in capital reserve. Upon completion of the issuance, the total issued share capital rose from 778,281,234 shares to 782,221,234 shares.

On July 30, 2026, the Board approved the proposed repurchase of the Company's A Shares through centralized bidding transactions for cancellation and reduction of registered capital. The repurchase plan was subsequently approved by Shareholders at a general meeting on August 24, 2026. As of October 16, 2026, the Company completed first share repurchase of 2,831,700 shares through centralized bidding transactions, with a total transaction amount of RMB24,707,343 (excluding transaction fees).

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to June 30, 2026.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

SECURITIES TAXATION

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary outlines certain relevant taxation provisions based on current laws and practices; however, such provisions may be subject to change and do not constitute legal or tax advice. The discussion does not deal with all possible tax consequences of holding H Shares nor does it take into account individual circumstances that are subject to specific restrictions. Accordingly, [**REDACTED**] should consult their own tax advisors regarding the tax consequences of [**REDACTED**] H Shares. The information provided is based upon laws and interpretations in effect as of the Latest Practicable Date, and is subject to change, including possible retrospective adjustment.

THE PRC TAXATION

A. Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (中華人民共和國個人所得税法), which was last amended on August 31, 2018 and came into effect on January 1, 2019, and the Regulations on Implementation of the Individual Income Tax Law of the PRC (中華人民共和國個人所得税法實施條例), which were last amended on December 18, 2018 and came into effect on January 1, 2019, dividends paid by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from a PRC enterprise is normally subject to a withholding income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Meanwhile, pursuant to the Notice on Issues Concerning the Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) (Cai Shui [2015] No. 101) promulgated by the Ministry of Finance, the SAT and the China Securities Regulatory Commission on September 7, 2015 and effective from September 8, 2015, as amended on July 12, 2019, where an individual acquires and holds for over one year the stocks of listed companies through public offerings or from the stock exchange where the company is listed and transfer of stock, the income from the dividends and bonuses thereof are temporarily exempted from individual income tax. However, for a holding period of one month or less, individual income tax shall be levied on the dividends thereof in full amount; for a holding period between one month and one year (one year inclusive), 50% of the dividend income shall be included in the taxable income. In each case where applicable, a flat rate of 20% shall be applied to the taxable portion.

In accordance with the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the 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徵税和防止偷漏税的安排》) entered into on August 21, 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents at a tax rate not exceeding 10%. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, the tax rate shall not exceed 5%.

Pursuant to the announcement of the Administrative Measures for Non-resident Taxpayers' Enjoyment of Treaty Treatment ([2019] No. 35) (《非居民納税人享受協定待遇管理辦法》([2019]35號)) promulgated by the SAT and became effective on January 1, 2020, non-resident taxpayers with tax obligations in the PRC who wish to enjoy treaty benefits may file a withholding declaration at the time of tax return filing or through a withholding agent, where such taxpayers enjoy such treatment through a mechanism of "self-assessment, self-declaration, and retention of supporting documents for future inspection by tax authorities".

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) issued by the National People's Congress on March 16, 2007, came into effect on January 1, 2008 and last amended on December 29, 2018 and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) issued by the State Council on December 6, 2007, came into effect on January 1, 2008 and last amended on December 6, 2024, a non-resident enterprise is generally subject to enterprise income tax a rate of 10% on PRC-sourced income (including dividends paid by a PRC resident enterprise on shares issued and listed in Hong Kong), if it does not have an establishment or place of business in the PRC or its income has no real connection with such establishment or place. Such income tax may be reduced pursuant to applicable tax treaties, if applicable, to avoid double taxation. The tax payment is withheld at source, where the payer of the dividend is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or becomes due.

The 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税有關問題的通知 (Guo Shui Han [2008] No. 897)), which was issued by the SAT on November 6, 2008, further clarifies that a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on dividends for 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆 (Guo Shui Han [2009] No. 394)), which was issued by the SAT and implemented on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends for

2008 and onwards that it distributes to non-resident enterprises. Applicable withholding tax rates may be further reduced pursuant to the tax treaty or agreement that China has entered into with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the 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徵税和防止偷漏税的安排) signed on August 21, 2006, the PRC Government may levy taxes on dividends paid by a PRC company to Hong Kong residents (including individuals and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company. However, if a Hong Kong resident directly holds 25% or more of the equity interest in the PRC company, then such tax shall not exceed 5% of the total dividends payable.

Tax Treaties

Non-resident investors residing in countries or regions that have entered into taxation agreements for the avoidance of double taxation with the PRC are generally entitled to a lower withholding tax rate on the dividends received from PRC enterprises. The PRC has entered into such agreements with a number of jurisdictions including but not limited to Hong Kong, China, Macau, China, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Pursuant to the Law of the People's Republic of China on the Administration of Tax Collection (《中華人民共和國税收徵收管理法》), where there are differences between provisions of applicable tax treaties and agreements and those of domestic tax legislation, such treaties and agreements shall prevail.

Where non-PRC resident taxpayers are entitled to but have not enjoyed preferential tax rates in accordance with applicable tax treaties or arrangements, such taxpayers may apply to the PRC tax authorities for a refund of the withholding tax paid in excess of the applicable tax rate specified by the tax treaties, and the refund shall be subject to verification and approval by the PRC tax authorities.

B. Taxation on Share Transfer

VAT and Local Surcharges

Pursuant to the Notice on the Full Implementation of Pilot Program for Transition from Business Tax to VAT (Cai Shui [2016] No. 36) (關於全面推開營業税改徵增值税試點的通知(財税[2016]36號)), effective from May 1, 2016 and last amended on August 28, 2026, individuals and entities engaged in provision of services within the PRC shall be subject to VAT. Based on the notice and its appendices aforesaid, the provision of services shall include transfer of financial products, including marketable securities. Unless otherwise required by No. 36 notice or other regulations issued by the Ministry of Finance and the SAT, services shall be deemed as being provided within the PRC if the service providers or recipients are located in the PRC.

Transfer of marketable securities is generally subject to VAT at a rate of 6% on the taxable income. However, individuals are exempt from VAT upon the transfer of financial products. For the purpose of VAT, taxable income refers to the net proceeds from sales, calculated by deducting the original purchase price from the selling price. This VAT regime applies to both general VAT taxpayers and foreign VAT taxpayers.

Pursuant to the aforementioned provisions, non-resident individuals transferring H Shares are exempted from VAT in the PRC. Should the purchaser of H Shares be an individual or entity located outside the PRC, non-resident enterprises may likewise be exempted from VAT. In contrast, should the purchaser be an individual or entity located within the PRC, such non-resident enterprise holders may be subject to VAT in the PRC.

INCOME TAX

Individual Investor

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), as last amended on August 31, 2018 and effective from January 1, 2019, income derived from the transfer of equity interests in PRC resident enterprises is generally subject to individual income tax at a rate of 20%. However, pursuant to the Circular Concerning the Continued Temporary Exemption from Individual Income Tax on Gains from Stock Transfers(《財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) (Cai Shui Zi [1998] No. 61) (Cai Shui Zi [1998] No. 61), jointly issued by the MOF and the SAT on March 30, 1998, income derived by individuals from the transfer of shares of listed companies has been temporarily exempted from individual income tax with effect from January 1, 1997.

On December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》) (Cai Shui [2009] No. 167). The Circular provides that income derived by individuals from the transfer of listed shares acquired through public issuance and trading on the Shanghai Stock Exchange or the Shenzhen Stock Exchange shall continue to be exempt from individual income tax. However, for listed shares subject to trading restrictions, individual income tax shall be levied at a rate of 20%. As of the Latest Practicable Date, no provision expressly stipulated that non-resident individuals are required to pay individual income tax on the transfer of shares of PRC resident enterprises listed on overseas stock exchanges.

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) promulgated by the Standing Committee of the National People's Congress on March 16, 2007, came into effect on January 1, 2008 and last amended on December 29, 2018 and the Implementation Rules of the EIT Law of the People's Republic of China (2024 Revision) (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on December 6, 2007, came into effect on January 1, 2008 and last amended on December 6, 2024, non-resident enterprises are generally subject to a 10% PRC enterprise income tax on China-sourced income

(including gains derived from the transfer of equity interests in PRC resident enterprises). Such tax liability arises only if the non-resident enterprise does not maintain an establishment or place of business within the PRC, or if the relevant income is not effectively connected with the business activities of any such establishment or place of business. Enterprise income tax is levied by way of withholding at source, with the payer being the withholding agent. The withholding agent is required to withhold tax from the amounts paid or payable to non-resident enterprises at the time of payment or when the payment becomes due. Such tax obligation may be reduced or exempted pursuant to applicable tax treaties or arrangements for the avoidance of double taxation entered into between the PRC and the relevant jurisdictions.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花税法》), promulgated by the Standing Committee of the National People's Congress on June 10, 2021 and effective from July 1, 2022, entities and individuals that execute taxable vouchers within the PRC, engage in securities transactions, or execute taxable vouchers outside the PRC for use within the PRC, are required to pay stamp duty.

Estate Duty

As of the Latest Practicable Date, no estate tax was currently imposed in the PRC.

Foreign Exchange

Renminbi is the lawful currency of the PRC. Currently, Renminbi is subject to foreign exchange controls and cannot be freely converted into foreign currencies. The State Administration of Foreign Exchange (SAFE), under the authorization of the People's Bank of China, is responsible for the administration of all matters related to foreign exchange, including the enforcement of applicable foreign exchange control regulations.

On January 29, 1996, the State Council promulgated the Regulations on the Administration of Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》), which became effective on April 1, 1996. These regulations categorize all international payments and transfers into current account items and capital account items. Most current account items no longer require the prior approval of the SAFE, while capital account items continue to be subject to such approval. Pursuant to the August 5, 2008 amendment to these regulations, restrictions on international payments and transfers under current account items were removed.

On June 20, 1996, the People's Bank of China promulgated the Regulations on the Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which became effective on July 1, 1996. These regulations eliminated all remaining restrictions on the convertibility of foreign exchange under current account items, while retaining the existing restrictions on foreign exchange transactions under capital account items.

Pursuant to the Announcement of the People's Bank of China on Reforming the RMB Exchange Rate Regime (《中國人民銀行關於完善人民幣匯率形成機制改革的公告》) (Announcement [2005] No. 16 of the People's Bank of China), which became effective on July 21, 2005, the PRC reformed its exchange rate regime to implement a managed floating exchange rate system based on market supply and demand with reference to a basket of currencies. As a result, the Renminbi exchange rate is no longer pegged solely to the U.S. dollar. The People's Bank of China announces, after the closure of trading on each business day, the closing rate of the Renminbi against the U.S. dollar and other foreign currencies in the interbank foreign exchange market, which serves as the central parity rate for trading of such currencies against the Renminbi on the following business day.

Since January 4, 2006, the People's Bank of China has introduced over-the-counter transactions into the interbank spot foreign exchange market to improve the formation mechanism of the RMB central parity rate, while retaining the existing foreign exchange trade matching system. In addition, the People's Bank of China introduced a market maker mechanism to provide liquidity to the foreign exchange market. On July 1, 2014, the People's Bank of China further improved the RMB exchange rate formation mechanism by authorizing the China Foreign Exchange Trade System to collect quotes from interbank foreign exchange market makers before the opening of the daily interbank foreign exchange market. The market makers' quotes are used as the calculation samples for the RMB central parity rate against the U.S. dollar. After excluding the highest and lowest quotes, the remaining quotes of market makers are weighted and averaged to determine the central parity rate of the RMB against the U.S. dollar for the day, which is published at 9:15 a.m. on each business day, along with the central parity rates of the RMB against other currencies. On August 11, 2015, the People's Bank of China announced improvements to the quotation mechanism for the RMB-U.S. dollar central parity rate, authorizing market makers to submit central parity quotations to the China Foreign Exchange Trade System before the opening of the daily interbank foreign exchange market with reference to the previous day's closing rate , supply and demand conditions and changes in exchange rates of major international currencies.

On August 5, 2008, the State Council promulgated the amended Regulations on the Administration of Foreign Exchange, which introduced significant changes into China's foreign exchange regulatory system. First, the amended Regulations adopted a more balanced approach to capital inflows and outflows. Foreign currency income earned overseas may be remitted into China or retained abroad. However, foreign currencies under capital account items, as well as funds converted into foreign currencies for settlement, may only be used for purposes approved by the relevant competent departments and foreign exchange administration authorities. Second, the amended regulations improved the RMB exchange rate formation mechanism, making the RMB exchange rate more closely aligned with market supply and demand. Third, the regulations strengthened the monitoring of cross-border foreign currency flows. In the event of a significant imbalance in cross-border receipts and payments or a severe actual or potential crisis in the domestic economy, the State has the authority to implement protective or control measures to safeguard the balance of international payments. Fourth, the amended regulations enhanced the supervision and administration of foreign exchange transactions and granted the SAFE broad powers to strengthen its regulatory and administrative capabilities.

Pursuant to the applicable PRC laws and regulations, PRC enterprises (including foreign-invested enterprises) may, for current account transactions, use foreign exchange to make payments directly from their foreign exchange accounts opened with designated foreign exchange banks upon presentation of valid transaction documents or evidence, without the need for prior approval from the foreign exchange departments. Foreign-invested enterprises that need to pay profits to their shareholders in foreign currency, as well as PRC enterprises (such as the Company) that are required under relevant regulations to pay dividends to their shareholders in foreign currency, may do so pursuant to resolutions of their board of directors or shareholders' meetings. Payments may be made directly from a foreign exchange account or through designated foreign exchange banks for currency conversion and remittance.

On October 23, 2014, the State Council promulgated the Decision of the State Council on Canceling and Adjusting a Number of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which removed the approval requirements of the SAFE and its branches for the repatriation and settlement of funds raised by overseas-listed foreign-invested companies into RMB accounts in the PRC.

Pursuant to the Notice on Issues Concerning Fund Management for Overseas Listing of Domestic Enterprises (關於境內企業境外上市資金管理有關問題的通知) promulgated by the People's Bank of China and the SAFE on December 24, 2025 and implemented on April 1, 2026, domestic enterprises which will be listed overseas shall apply to a bank within the provincial or planned-city jurisdiction of their registered location to complete the overseas listing registration within 30 working days from the first trading day of the overseas listing or upon completion of the over-allotment. Proceeds raised by domestic companies through overseas listings shall, in principle, be repatriated to China in a timely manner, and their use must be consistent with the purposes stated in the registration and other disclosure documents.

Pursuant to the Circular of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13), which was issued by the SAFE on February 13, 2015 and became effective on June 1, 2015 and was amended on December 30, 2019, the administrative approval for foreign exchange registration related to domestic and foreign direct investment was canceled. Such registration is currently handled directly by qualified banks, while the SAFE and its branches implement indirect supervision through these banks to handle relevant foreign exchange business.

Pursuant to the Notice of the SAFE on Reforming and Regulating the Policies of Administration of Foreign Exchange Settlement for Capital Account (《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》) (Hui Fa [2016] No. 16), which came into effect on June 9, 2016 and was last amended on December 4, 2023, domestic institutions are allowed to undertake foreign exchange settlement for capital account (including proceeds from overseas listings) with banks according to their actual business needs. The ratio of the discretionary exchange rate of such receipts is tentatively set at 100%, subject to adjustment by SAFE based on the status of international balance of payments.

Pursuant to the Circular of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (Hui Fa [2020] No. 8) (《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》(匯發[2020]8號)), which became effective on April 10, 2020, the facilitation of payments using capital account income has been promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on the use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debts and overseas listings, for domestic payments, without the need to provide evidence for veracity to the bank prior to each transaction.

This Appendix provides a summary of certain aspects of the PRC laws and regulations that are relevant to the Company's operations and business. The PRC taxation laws and regulations are discussed separately in Appendix III — Taxation and Foreign Exchange . The Company Law of the PRC and other applicable legal and regulatory requirements are also summarized in this Appendix. The primary purpose of this summary is to provide potential investors with an overview of the principal legal and regulatory requirements applicable to the Company. This summary is not exhaustive and does not contain all information that is important to potential [**REDACTED**]. Please refer to the Regulatory Overview section of this Document for a discussion of the laws and regulations relevant to our business.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "Constitution") and is composed of laws, administrative regulations, local regulations, separate regulations, departmental rules of the State Council, local government rules and regulations, autonomous regulations, separate regulations of autonomous regions, laws of special administrative regions, international treaties to which the PRC government is a party and other regulatory documents. Court judgments do not constitute legally binding precedents, but they may be used for judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "Legislation Law") amended on March 13, 2023 and came into effect on March 15, 2023, the National People's Congress (the "NPC") and the Standing Committee of the National People's Congress (the "SCNPC") are empowered to exercise the legislative power of the State. The NPC has the authority to enact and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to enact and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during its adjournment, provided that such supplements and amendments do not conflict with the basic principles of such laws.

The State Council is the highest administrative organ of the State and has the authority to enact administrative regulations based on the Constitution and laws. The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may enact local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provisions of the Constitution, laws or administrative regulations. The people's congresses and their respective standing committees of cities with subordinate districts may enact local regulations based on their own specific circumstances and actual requirements relating to urban and rural development and management, environmental protection and the conservation of history and culture, provided that such local regulations do not conflict with any provisions of the Constitution, laws, administrative regulations and local regulations of provinces or autonomous regions. If the laws have other provisions on the enactment of local regulations for cities with subordinate districts, such other provisions shall prevail. Local regulations for cities with subordinate districts must be reported to the people's congresses of the provinces and autonomous regions for approval before implementation.

The standing committees of the people's congresses of the provinces or autonomous regions shall review the legitimacy of the local regulations submitted for approval, and approval shall be granted within four months if they do not contravene the Constitution, laws, administrative regulations and the local regulations of the respective provinces or autonomous regions. The people's congresses of ethnic autonomous regions have the authority to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of each ethnic group in those regions. All ministries and committees of the State Council, the People's Bank of China, the National Audit Office, and the public institutions directly under the State Council with administrative and management functions may enact rules and regulations within their respective jurisdictions in accordance with the laws and the administrative regulations, decisions and orders of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of rules and regulations enacted by the people's governments of provinces and autonomous regions is greater than that of those enacted by the people's governments of the cities with subordinate districts within their respective administrative areas.

The NPC has the authority to alter or annul any inappropriate laws enacted by the SCNPC and to annul any autonomous and separate regulations that have been approved by the SCNPC but contravene the Constitution and the Legislation Law. The SCNPC has the authority to annul any administrative regulations that contravene the Constitution or laws; annul any local regulations that contravene the Constitution, laws or administrative regulations; and annul any autonomous or separate regulations that have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities but contravene the Constitution and the Legislation Law. The State Council has the authority to alter or annul any inappropriate departmental rules and local rules and regulations. The people's congresses of provinces, autonomous regions or municipalities have the authority to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The standing committees of the local people's congresses have the authority to annul any inappropriate rules and regulations enacted by the people's governments at the same level. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules and regulations enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the Standing Committee of the National People's Congress Regarding Strengthening the Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) approved by the SCNPC and came into effect on June 10, 1981, the Supreme People's Court of the PRC has authority to give interpretation on questions involving the specific application of laws and decrees in court trials. The Supreme People's Procuratorate has authority to give interpretation on questions involving the specific

application of laws and decrees in prosecutions conducted by procuratorates. The State Council and the competent authorities have authority to give interpretation on questions involving the specific application of other laws and decrees not relating to court trials and prosecution work.

If the scope of local regulations requires further definition or supplementary provisions, the standing committees of the people's congresses of the provinces, autonomous regions and municipalities that enact such regulations shall have authority to give interpretation or enact provisions. The power to give interpretation on questions involving the specific application of the local regulations is vested with the competent authorities of the people's government of the provinces, autonomous regions and municipalities.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People's Courts (《中華人民共和國人民法院組織法》) amended on October 26, 2018 and came into effect on January 1, 2019, the People's Courts of the PRC consist of the Supreme People's Court, the local People's Courts and other special People's Courts. The local People's Courts are divided into three levels, namely, the primary People's Courts, the intermediate People's Courts and the higher People's Courts. The primary People's Courts may establish certain people's tribunals according to the circumstances of the location, population and cases. The Supreme People's Court is the highest judicial body in the PRC. It supervises the adjudication work of the local People's Courts and special People's Courts at all levels, and People's Courts at a higher level will supervise adjudication work of the People's Courts at a lower level.

Under the Constitution and the PRC Law on the Organization of the People's Procuratorate (《中華人民共和國人民法院組織法》) amended on October 26, 2018 and came into effect on January 1, 2019, the people's procuratorates are the law supervision authorities of the State. The Supreme People's Procuratorate leads the work of local people's procuratorates and special people's procuratorates at all levels, and the people's procuratorate at a higher level will lead the work of the people's procuratorate at a lower level.

The People's Courts implement a two-instance final trial system, the judgment or ruling of the second instance of the People's Courts shall be final. A party who is dissatisfied with the judgment or ruling of the first instance of the local People's Courts may file an appeal. The people's procuratorate may file a protest with the People's Courts at the next higher level in accordance with the procedures prescribed by law. If the party does not file an appeal and the people's procuratorate does not protest within the prescribed time limit, the judgment or ruling of the People's Courts shall be final. The judgments and rulings of the second instance made by the intermediate People's Courts, the higher People's Courts and the Supreme People's Court, and the judgments and rulings of first instance rendered by the Supreme People's Court shall be final. However, if the Supreme People's Court or the local People's Courts at a higher level finds that the effective judgment or ruling of the People's Courts at the lower level is indeed erroneous, or the presiding judge of the people's court at any level finds that the effective judgment or ruling of the People's Courts at the same level is indeed erroneous, a retrial may be conducted in accordance with the judicial supervision procedures.

The Civil Procedure Law of the PRC (2023 Amendment) (《中華人民共和國民事訴訟法(2023年修訂)》) adopted by the SCNPC on September 1, 2023 and came into effect on January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the People's Courts, the procedures for conducting a civil action and the procedures for enforcing of a civil judgment or order. All parties to a civil action conducted within the territory of the PRC must comply with the Civil Procedure Law of the PRC. Generally, a civil case is initially heard by a local court at the place where the defendant resides. The parties to a contract may, by express agreement, select a court with competent jurisdiction to hear civil actions arising from disputes on contracts, property, equity interests or other assets, provided that the selected court is located at the place directly related to the dispute, such as the place of residence of the plaintiff or defendant, the place of performance or the place of execution of the contract, or the place where the object of the civil action is located. However, under any circumstances, the choice of court must not contravene the provisions regarding different jurisdictions and exclusive jurisdiction.

Foreign individuals, stateless persons, foreign-invested enterprises, and foreign organizations bringing or defending an action in a People's Court shall enjoy the same rights and bear the same obligations of litigation as citizens, legal persons, and other organizations of the PRC. If a court of a foreign country limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to citizens and enterprises of that country. If a foreign individual, stateless person, foreign-invested enterprise or foreign organization bringing or defending an action in a People's Court needs to engage a lawyer, they should employ a PRC lawyer. According to international treaties concluded or acceded to by the PRC, or the principle of reciprocity, the People's Courts and the foreign courts may request each other to serve documents, conduct investigations, collect evidence or take other procedural actions. If any request from a foreign court infringes on the sovereignty, security or public interest of the PRC, the shall People's Court shall decline the request.

All parties to a litigation must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to perform a judgment or ruling made by a People's Court of the PRC or an award made by an arbitral tribunal, the other party may apply to the People's Court for enforcement within two years. The application for suspension or interruption of the enforcement period shall comply with the provisions on suspension or interruption of the limitation period under applicable laws.

A party seeking to enforce an effective judgment or ruling of a People's Court against a party who, or whose property, is not within the PRC may apply directly to a foreign court with competent jurisdiction for recognition and enforcement. If the PRC has concluded or acceded to an international treaty with the relevant foreign country under which foreign judgments and rulings may be recognized and enforced, or if any judgment or ruling satisfies the required conditions after review by the court according to the principle of reciprocity, unless subject to other exceptions, the People's Court may recognize and enforce the foreign judgment and ruling according to PRC enforcement procedures, provided that the People's Court finds that such recognition or enforcement does not violate the basic legal principles of the PRC, its sovereignty or security, or social and public interest.

THE COMPANY LAW OF THE PRC (《中華人民共和國公司法》), 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》) AND THE GUIDELINES FOR ARTICLES OF ASSOCIATION OF LISTED COMPANIES (《上市公司章程指引》)

A joint stock limited company incorporated in the PRC seeking for listing on The Stock Exchange of Hong Kong Limited is primarily subject to the provisions of the Company Law of the PRC (《中華人民共和國公司法》) (the "Company Law") and the Trial Administrative Measure 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 "Trial Measures").

The Company Law was approved by the Fifth Meeting of the Eighth Session of the SCNPC on December 29, 1993, and came into effect on July 1, 1994, and were amended respectively on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018, and December 29, 2023. The last amended Company Law came into effect on July 1, 2024.

The Trial Measures promulgated by the CSRC on February 17, 2023 and its five explanatory guidelines came into effect on March 31, 2023. They apply to both direct and indirect overseas listings of domestic companies.

Pursuant to the Trial Measures and their explanatory guidelines, domestic companies seeking direct overseas offerings and listings shall prepare their Articles of Association according to the Guidelines for Articles of Association for Listed Companies (《上市公司章程指引》) (the "Guidelines for Articles of Association") to supersede the Mandatory Provisions for Articles of Association of Companies Listing Overseas (《到境外上市公司章程必備條款》) which were were repealed on March 31, 2023. The Guidelines for Articles of Association were promulgated by the CSRC on December 16, 1997 and last amended on March 28, 2025.

A summary of the major provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association applicable to the Company is set out below.

GENERAL PROVISIONS

A joint stock limited company is a legal person incorporated in accordance with the Company Law with its registered capital divided into shares of equal par value. The liabilities of its shareholders are limited to the amount of the shares for which they have subscribed. And the liabilities of the company are limited to the value of all the properties it owns.

The Company must abide by laws, social ethics, and business ethics in its business operations. The Company may invest in other companies with limited liability. The Company's liability to these investee companies is limited to the amount of its capital contribution. Except as otherwise provided by law, the Company shall not be a capital contributor to an enterprise if such investment may make the Company jointly and severally liable for the debts of the investee enterprise.

INCORPORATION

A joint stock limited company may be incorporated by means of promotion or public subscription. To establish such a company, there shall be one or more, but not more than 200 promoters, more than half of whom shall be domiciled within the territory of the PRC.

The promoters must convene an inaugural meeting within 30 days after the share capital is fully paid and must give notice to all subscribers or make an announcement on the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of the promoters and the subscribers holding more than 50% of the total number of shares. Powers that may be exercised at the inaugural meeting include, but are not limited to, the adoption of articles of association, the election of members of the board of directors and the board of supervisors of the company. All resolutions of the aforesaid matters require approval by more than 50% of the votes cast by subscribers attending the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must apply to the registration authority for registration of the incorporation of the joint stock limited company. After the business license has been issued by the relevant registration authority, the company is formally established, and has the status of a legal person.

REGISTERED SHARES

According to the Company Law, a shareholder may contribute capital in cash or in kind or in consideration of non-monetary properties such as intellectual property rights, land use rights, equity interests or debt claims that can be monetarily appraised and transferred in accordance with the law.

The Trial Measures stipulate that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

According to the Company Law, a joint stock limited company is required to maintain a Register of Members, which shall contain in detail the following information: (I) the name and domicile of each shareholder; (II) the class and number of shares subscribed by each shareholder; (III) the serial numbers of the share certificates (if issued in physical form); and (IV) the date on which each shareholder acquired the shares.

ALLOTMENT AND ISSUE OF SHARES

The issuance of shares by a joint stock limited company shall be conducted on an equal and fair basis. Shares of the same class must carry the same rights. Shares of the same class issued in the same tranche must be issued on the same conditions and at the same price. A joint stock limited company may issue shares at par value or at a premium, but cannot issue shares at a price below par value.

A domestic enterprise seeking to offer and list securities overseas shall undergo filing procedures with the CSRC in accordance with the provisions of the Trial Measures, and submit a filing report, legal opinion and other relevant materials, providing a truthful, accurate and complete description of shareholder information. For a direct overseas offering and listing, the issuer shall complete the filing with the CSRC. For an indirect overseas offering and listing, the issuer shall designate its principal domestic operating entity as the domestic responsible entity and complete the filing with the CSRC.

INCREASE IN SHARE CAPITAL

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholders' general meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and closing dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders, if any. If shares of no par value are issued, the proceeds from the issuance of the new stocks shall be included into the registered capital. Additionally, if a company intends to make a public offering of shares, it is required to complete the registration with the securities regulatory authority under the State Council and publish the relevant registration documents.

REDUCTION OF SHARE CAPITAL

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

(I) preparing a balance sheet and inventory of assets;

(II) making a resolution at a shareholders' general meeting to reduce its registered capital;

(III) the company shall notify its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the resolution is adopted;

(IV) the creditors shall have the right to request the company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if no notice is received;

(V) the company shall apply to the relevant administration for industry and commerce to register the reduction of its registered capital.

A company shall reduce its registered capital in proportion to the shares held by shareholders, unless otherwise provided by laws or the articles of association of a joint stock limited company.

REPURCHASE OF SHARES

According to the Company Law, a joint stock limited company may not repurchase its own shares except in any of the following circumstances:

(I) reducing the registered capital;

(II) merging with another company that holds shares in the company;

(III) using the shares for employee stock ownership plans or equity incentives;

(IV) shareholders who vote against resolutions on the merger or division of the company passed by the shareholders' general meeting have the right to request the company to acquire the shares held by them;

(V) repurchasing its shares for conversion of corporate bonds that are convertible into shares issued by the company; or

(VI) as required for maintaining the company's market value and protection of shareholders' rights and interests as a listed company

The repurchase of its outstanding shares by a company under circumstance (I) or (II) above shall be subject to approval by a resolution of a shareholders' general meeting. The repurchase of its outstanding shares by a company under circumstance (III), (V) or (VI) above shall be authorized by the articles of association or a resolution of the shareholders' general meeting and be approved by a resolution of a board meeting attended by more than two-thirds of the directors.

Where a company repurchases its own shares in accordance with the above provisions, such shares shall be canceled within 10 days from the date of repurchase under circumstance (I) above; transferred or canceled within six months under circumstance (II) or (IV) above; and transferred or canceled within three years under circumstance (III), (V), or (VI) above. In the third case, the total number of shares held by the company shall not exceed 10% of its total issued shares.

TRANSFER OF SHARES

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder of a joint stock limited company shall effect a transfer of their shares on a legally established securities exchange or by such other means as permitted by the State Council. Registered shares may be transferred by endorsement of shareholders or by other

means stipulated by laws or administrative regulations. After the transfer, the company shall record the name and domicile of the transferee in the register of shareholders. No changes to the register of shareholders shall be effected during a period of 20 days prior to the convening of a shareholder's general meeting or 5 days prior to the record date for the company's distribution of dividends. If any law, administrative regulation, or provision by the securities regulatory authority under the State Council specifies otherwise for the amendment of the register of shareholders of a listed company, such provisions shall prevail.

Under the Company Law, shares issued by a joint stock limited company prior to the public offering of shares shall not be transferred within one year from the date on which the the company's shares are listed and traded on a securities exchange. The directors, supervisors and senior management of the company shall declare to the company the shares they hold and any changes thereto. During their term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold in the company. Shares of a company held by its directors, supervisors and senior management shall not be transferred within one year from the date of the company's listing on a securities exchange, nor within six months after their resignation from their positions with a company.

If shares are pledged within a transfer restriction period as provided for by laws or administrative regulations, the pledgee cannot exercise the pledge right within such restricted period.

SHAREHOLDERS

Under the Company Law and the Guidelines for the Articles of Association, the rights of a shareholder include:

(I) receiving dividends and other forms of profit distributions in proportion to their shareholdings;

(II) requesting, convening, presiding over, and participating in or appointing a proxy to attend shareholders' general meetings and exercising their voting rights;

(III) supervising the business operations of the company, making recommendations or inquiries;

(IV) the transfer, donation or pledge of their shares in accordance with laws, administrative regulations and the articles of association;

(V) reviewing and copying the articles of association, register of members, minutes of shareholders' general meetings, resolutions of board meetings, resolutions of the board of supervisors, and financial and accounting reports; eligible shareholders may inspect the company's accounting books and accounting vouchers;

(VI) in the event of the winding-up or liquidation of the company, participating in the distribution of the remaining assets in proportion to their shareholding;

(VII) requesting the company to purchase their shares if the shareholder votes against a merger or division resolution passed by the shareholders' general meeting;

(VIII) other rights conferred by laws, administrative regulations, departmental rules, the regulatory rules of the stock exchange on which the company's shares are listed or the articles of association.

The obligations of a shareholder include:

(I) complying with laws, administrative regulations and the articles of association;

(II) making full capital contributions for the shares they have subscribed for;

(III) not withdrawing capital contributions unless otherwise provided for by laws or administrative regulations;

(IV) not abusing shareholder rights to harm the interests of the company or other shareholders; and not abusing the the company's independent legal person status or the limited liabilities of the shareholders to harm the interests of the company's creditors; and

(V) performing other duties as required by laws, administrative regulations, departmental rules and the securities regulatory rules of the jurisdictions where the Company's shares are listed.

SHAREHOLDERS' GENERAL MEETINGS

Under the Company Law, the shareholders' general meeting of a joint stock limited company is composed of all shareholders. The shareholders' general meeting is the organ of authority of the company, which exercises the following functions and powers:

(I) electing and removing directors and supervisors, and deciding on matters relating to their remuneration;

(II) deliberating and approving the reports of the board of directors;

(III) deliberating and approving the reports of the board of supervisors;

(IV) deliberating and approving the plans for profit distribution and loss make-up of the company;

(V) adopting resolutions on the increase or decrease of the registered capital of the company;

(VI) adopting resolutions on the issuance of corporate bonds;

(VII) adopting resolutions on the merger, division, dissolution, liquidation or transformation of the company;

(VIII) amending the articles of association of the company;

(IX) other functions and powers stipulated in the articles of association.

Under the Company Law, annual shareholders' general meetings shall be held once every year. An extraordinary shareholders' general meeting shall be held within two months after the occurrence of any of the following circumstances:

(I) the number of directors is less than the minimum number stipulated in the Company Law or less than two-thirds of the number specified in the articles of association;

(II) the company's unrecovered losses amount to one-third of the total share capital;

(III) a request is made by shareholders individually or jointly holding 10% or more of the company's shares;

(IV) the board deems it necessary;

(V) the board of supervisors proposes to convene a meeting; and

(VI) other circumstances as stipulated in the articles of association.

Shareholders' general meetings shall be convened by the board of directors, and presided over by the chairman of the board. In the event that the chairman is unable or fails to perform their duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is unable or fails to perform their duties, a director nominated by more than half of the directors shall preside over the meeting.

If the Board of Directors is unable or fails to perform its duties to convene a shareholders' general meeting, the board of supervisors shall convene and preside over shareholders' general meeting in a timely manner. If the board of supervisors fails to convene and preside over the meeting, shareholders individually or collectively holding 10% or more of the company's shares for at least 90 consecutive days may unilaterally convene and preside over the meeting.

If the shareholders who individually or collectively hold more than 10% of the shares of the company request to convene an extraordinary shareholders' general meeting, the Board of Directors or the Board of Supervisors shall, within 10 days after the receipt of such request, decide whether to hold the meeting and provide a written response to the shareholders.

Under the Company Law, a shareholder may appoint a proxy to attend a shareholders' general meeting, clarifying the matters, authority, and validity period of the proxy. The proxy shall present a written power of attorney issued by the shareholder to the company and shall exercise their voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum for a shareholders' general meeting.

Under the Company Law, shareholders present at a shareholders' general meeting have one vote for each share they hold, except for holders of class shares. However, shares held by the company itself shall not carry any voting rights.

A cumulative voting system may be adopted for the election of directors and supervisors at a shareholders' general meeting in accordance with the articles of association or a resolutions of the shareholders' general meeting. Under the cumulative voting system, each share shall carry a number of votes equal to the number of directors or supervisors to be elected at the shareholders' general meeting, and shareholders may concentrate their votes on a single candidate.

Under the Company Law and the Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders present at the shareholders' general meeting. Special resolutions concerning the merger, division or dissolution of the company, an increase or reduction of registered capital, change of corporate form or amendments to the articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

DIRECTORS

Under the Company Law, a joint stock limited company shall have a board of directors, which consists of three or more members. The term of office of a director shall be stipulated in the articles of association, provided that each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be notified 10 days prior to every meeting. The board of directors shall exercise the following functions and powers:

(I) convening shareholders' general meetings and reporting to the shareholders;

(II) implementing the resolutions of the shareholders' general meetings;

(III) deciding on the company's business plans and investment plans;

(IV) formulating the plans for profit distribution and loss recovery of the company;

(V) formulating plans for the increase or decrease of the registered capital of the company and the issuance of corporate bonds;

(VI) formulating proposals the merger, division, or dissolution of the company, or a change to its corporate form;

(VII) determining the internal management structure of the company;

(VIII) appointing or dismissing the company's manager and determining their remuneration; and, based on the manager's nomination, appointing or dismissing deputy managers and the head of finance, and determining their remuneration;

(IX) formulating the basic management system of the company; and

(X) other functions and powers stipulated in the articles of association or approved by the shareholders' general meeting.

Meetings of the board of directors shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, they may appoint another director as a proxy via a power of attorney specifying the scope of authorization. If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, thereby causing the company to suffer serious losses, the directors who voted for the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be exempted from such liability.

Under the Company Law, a person shall not serve as a director of a company if they are:

(I) a person with no or limited civil capacity;

(II) a person who has been sentenced to any criminal penalty for an offense involving corruption, bribery, encroachment on property, misappropriation of property, or disruption of the order of the socialist market economy, or has been deprived of political rights due to a crime, where less than five years have elapsed since the completion of the sentence; or, if granted a suspension of sentence, less than two years have elapsed since the expiration of the suspension period;

(III) a person who was a director, factory manager or manager of a company or enterprise which has undergone insolvent liquidation and who was personally liable for the insolvency, where less than three years have elapsed since the date of the completion of the liquidation;

(IV) a person who was the legal representative of a company or enterprise that had its business license revoked or was ordered to close due to a violation of the law , and who was personally liable, where less than three years have elapsed since the date of revocation or closure; and

(V) a person listed as a "dishonest person subject to enforcement" by a People's Court due to their failure to pay off a relatively large amount of overdue debts. The board of directors shall have one chairman, who shall be elected by more than half of all the directors. The chairman shall exercise functions and powers including, but not limited to:

(i) presiding over shareholders' general meetings and convening and presiding over meetings of the board of directors;

(ii) monitoring the implementation of resolutions of the board of directors; and

(iii) exercising other powers conferred by the board of directors.

SUPERVISORS

Under the Company Law, a joint stock limited company shall establish a board of supervisors composed of no fewer than three members. Alternatively, a joint stock limited company may, in accordance with its articles of association, establish an audit committee composed of directors, which shall exercise the powers of the board of supervisors as stipulated in the Company Law. In this case, the company is not required to establish a board of supervisors or appoint supervisors. A joint stock limited company with a relatively small scale or a small number of shareholders is not required to establish a board of supervisors, but one supervisor shall exercise the functions and powers of the board of supervisors as required by the Company Law. The board of supervisors shall consist of shareholder representatives and an appropriate proportion of employee representatives, the latter of which shall constitute no less than one-third of the board, with the specific proportion to be stipulated in the articles of association.

The board of supervisors shall exercise the following functions and powers:

(I) inspecting the financial status of the company;

(II) supervising directors and senior management in the performance of their duties, and proposing the removal of any director or senior management member who violates laws, administrative regulations, the articles of association or resolutions of the shareholders' general meeting;

(III) requesting rectification where the conduct of a director or senior management member is detrimental to the company's interests;

(IV) proposing the convening of an extraordinary shareholders' general meeting, and convening and presiding over such meeting when the board of directors fails to perform its duties to convene and preside as required by the Company Law;

(V) putting forward proposals to the shareholders' general meetings;

(VI) initiating legal proceedings against directors or senior management in accordance with the provisions of the Company Law; and

(VII) other functions and powers stipulated in the articles of association.

SENIOR MANAGEMENT

Under the Company Law, a joint stock limited company shall have a manager who is appointed or dismissed by the board of directors. The manager is accountable to the board of directors and shall exercise their functions and powers according to the articles of association or the authorization of the board of directors. The manager may attend board meetings as a non-voting member. Unless the manager is also a director, they shall have no voting rights at such meetings.

Under the Company Law, "senior management" refers to a company's manager, deputy managers, head of finance, board secretary and other persons specified in the articles of association.

DUTIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and owe duties of loyalty and care to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other illegal income and from misappropriating the company's assets.

Directors, supervisors and senior management are prohibited from:

(I) embezzling the company's property or misappropriating the company's funds;

(II) depositing the company's funds into accounts opened in their own name or the name of any other individual;

(III) giving bribes or accepting any other illegal proceeds by taking advantage of their positions;

(IV) accepting and possessing commissions paid by a third party for transactions conducted with the company;

(V) disclosing confidential business information of the company without authorization; or

(VI) engaging in other acts in violation of their fiduciary duty to the company.

If any director, supervisor or senior management member directly or indirectly enters into a contract or conducts a transaction with the company, they shall report all matters relating to the contract or transaction to the board of directors or shareholders' general meeting, and obtain approval from the board of directors or shareholders' general meeting according to the articles of association.

The provisions of the preceding paragraph shall apply where any close relatives of a director, supervisor, or senior management member — or any enterprise directly or indirectly controlled by such persons or their close relatives, or any other parties with a related-party relationship with such persons — enters into a contract or conducts a transaction with the company.

No director, supervisor or senior management member may take advantage of their position to seek any business opportunity that belongs to the company for themselves or any other person, except under any of the following circumstances:

(I) where they have reported the opportunity to the board of directors or the shareholders' general meeting, and such opportunity has been approved by a resolution of the board of directors or the shareholders' general meeting according to the articles of association; or

(II) where the company cannot make use of the business opportunity pursuant to laws, administrative regulations or the articles of association.

Where any director, supervisor or senior management member fails to report to the board of directors or the shareholders' general meeting and obtain an approval by resolution of the board of directors or the shareholders' general meeting according to the articles of association, they may not engage in any business that competes with the company for themselves or for any other person.

A director, supervisor or senior management member who contravenes any law, regulation or the articles of association in the performance of their duties, thereby causing loss to the company shall be personally liable for damages to the company.

DERIVATIVE ACTION BY MINORITY SHAREHOLDERS

The Company Law of the People's Republic of China grants shareholders the right to institute legal proceedings where any director or executive officers violates any laws, regulations or the articles of association in the performance of their duties, thereby causing any loss to the company. Shareholders who individually or collectively hold 1% or more of the

shares of the company for at least 180 consecutive days may request the board of supervisors in writing to initiate a lawsuit in a People's Court. In the event that a director, senior management member or (if applicable) the executive director violates the laws or the articles of association causing loss to the company, the shareholders may first request in writing the board of supervisors (or, if no board of supervisors is established, the supervisor) to institute legal proceedings. If a supervisor is involved in the misconduct, the request shall be made to the board of directors or the executive director. If the requested party refuses or fails to initiate a lawsuit within 30 days, or if the situation is urgent and it is necessary to initiate a lawsuit immediately to prevent irreparable damages, shareholders may directly initiate a legal action in their own name in the interests of the company. The legal action shall be instituted in the name of the company, and the recovered compensation shall belong to the company.

FINANCE AND ACCOUNTING

Under the Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the provisions of the finance department of the State Council. At the end of each fiscal year, the company shall prepare financial and accounting reports, which shall be audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the provisions of the finance department of the State Council.

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual shareholders' general meeting. A joint stock limited company that has publicly offered shares must make its financial and accounting reports public.

When distributing its after-tax profits for each year, the company shall allocate 10% of its profits to its statutory reserve fund. The company may cease allocations to its statutory reserve fund once the fund has accumulated to more than 50% of the company's registered capital. If the statutory reserve fund is insufficient to offset losses from previous years, the current year's profits shall be used to offset such losses before making allocations to the statutory reserve fund in accordance with the preceding paragraph. After the company has made an allocation to the statutory reserve fund from its after-tax profits, it may also make an allocation to a discretionary reserve fund from its after-tax profits upon a resolution of the shareholders' general meeting.

A joint stock limited company shall distribute profits in proportion to the shareholdings of its shareholders, unless otherwise provided in the articles of association. The premium received by a joint-stock company from issuing shares at a price higher than the par value of the shares, as well as other income stipulated by the Ministry of Finance to be credited to the capital reserve fund, shall be recorded as part of the company's capital reserve fund.

The reserve funds of the company shall be used to offset losses, expand business operations, or be converted into increased capital. Where the reserve funds are used to offset losses, the discretionary and statutory reserve funds shall be used first. If losses remain, the

capital reserve fund may be used in accordance with the law. When the statutory reserve fund is converted into registered capital, the balance of the statutory reserve fund shall not fall below 25% of the registered capital of the company before the conversion.

A company shall not maintain any accounting books other than those required by law.

APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

The appointment or dismissal of an accounting firm responsible for the company's auditing shall be determined by a shareholders' general meeting, the board of directors or the board of supervisors in accordance with the articles of association. The accounting firm shall be allowed to make representations when the shareholders' general meeting, the board of directors or the board of supervisors vote on the dismissal of the accounting firm. The company shall provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the appointed accounting firm and shall not refuse to provide, withhold, or falsify such information.

PROFIT DISTRIBUTION

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall return such profits to the company, and the shareholders, directors, supervisors, and senior management personnel who are responsible for causing losses to the company shall bear the liability for compensation.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Amendments to the articles of association of a company must be made in accordance with the procedures set out therein. Where a company changes its registration matters involving an amendment to the articles of association, it shall apply for registration of the amendment with the company registration authority in accordance with the law.

DISSOLUTION AND LIQUIDATION

According to the Company Law, a company shall be dissolved in the following circumstances:

(I) the term of operation stipulated in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;

(II) the shareholders' general meeting resolves to dissolve the company;

(III) dissolution is necessary due to a merger or division of the company;

(IV) the business license is revoked, or the company is ordered to close or its registration is canceled in accordance with the law;

(V) where the company encounters serious difficulties in its operation and management and its continued existence would cause significant loss to the interests of shareholders, and where this cannot be resolved through other means, shareholders who hold 10% or more of the total shareholders' voting rights of the company may present a petition to a People's Court for the dissolution of the company .

If any of the circumstances mentioned in the preceding paragraphs arise, the company shall disclose such information through the National Enterprise Credit Information Publicity System within ten days.

If a company falls under circumstances (I) or (II) above and has not distributed its assets to its shareholders, it may continue to exist by amending its articles of association or by adopting a resolution at a shareholders' general meeting. Amendments to the articles of association or resolutions passed at the shareholders' general meeting shall be approved by shareholders representing at least two-thirds of the rights to vote or by shareholders present at the shareholders' general meeting with at least two-thirds of the rights to vote. Where the company is dissolved pursuant to circumstances (I), (II), (IV) or (V) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless otherwise provided in the articles of association or it is otherwise elected by the shareholders' general meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, thereby causing loss to the company or the creditors.

Where a company is required to be liquidated in accordance with the provisions of the Company Law, and if a liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may apply to the People's Court to designate relevant personnel to form a liquidation group to carry out liquidation. The People's Court shall accept such application and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation group shall exercise the following functions and powers during the liquidation period:

(I) to liquidate the company's assets and respectively prepare a balance sheet and an inventory of assets;

(II) to notify creditors by notice or public announcement;

(III) to deal with the outstanding business of the company involved in the liquidation;

(IV) to pay all outstanding taxes and taxes arising in the course of liquidation;

(V) to settle claims and debts;

(VI) to distribute the remaining assets of the company after paying off debts; and

(VII) to participate in civil litigations on behalf of the company.

The liquidation group shall notify the company's creditors within ten days as of its formation and shall publish a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their claims to the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement if no notice is received.

After the payment of liquidation expenses, salaries of employees, social insurance premiums, statutory compensations, payment of outstanding taxes, and settlement of the company's debts, respectively, the remaining assets shall be distributed to shareholders in proportion to their shareholdings, reflecting each shareholder's respective proportion of capital contribution in the case of a limited liability company, or the percentage of shares held by each shareholder in the case of a joint stock limited company.

During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. No asset of the company shall be distributed to shareholders prior to the settlement of all liabilities in accordance with the preceding paragraph.

If the liquidation group, having thoroughly liquidated the company's assets and having prepared a balance sheet and an inventory of assets, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application with a People's Court for bankruptcy liquidation. After the People's Court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Upon completion of the liquidation, the liquidation group shall prepare a liquidation report to be submitted to the shareholders' general meeting or the people's court for confirmation, and submit the report to the company registration authority to apply for deregistration of the company.

The members of the liquidation group have duties of loyalty and care to the company in the performance of their liquidation duties. Any member of the liquidation group who fails to fulfill their liquidation duties, thereby causing loss to the company shall be liable for compensation, and any member of the liquidation group who causes loss to any creditor due to intentional misconduct or gross negligence shall also liable for compensation.

If a company fails to apply to the company registration authority for deregistration within three years after its business license is revoked, it is to close down, or its registration is canceled, the company registration authority may issue an announcement through the National Enterprise Credit Information Publicity System for a period of not less than 60 days. If there

is no objection after the expiration of the announcement period, the company registration authority may cancel the registration of the company, provided that the liabilities of the company's original shareholders and liquidation obligors are not affected.

OVERSEAS LISTING

According to the Trial Measures, an issuer that conducts an overseas initial public offering and listing, or conducts an offering and listing in another overseas market after an initial overseas offering and listing shall file a record with the CSRC within three working days after the overseas offering and listing application documents are submitted. If an issuer offers securities in the same overseas market after its initial overseas offering and listing, it shall file with the CSRC within three working days after the completion of the offering. In addition, if the filing materials are complete and in compliance with the regulations, the CSRC shall complete the filing within 20 working days from the date of receipt of the filing materials, and publish the filing information through its website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the applicant of the required supplementary materials within five working days after receiving the filing materials. The applicant shall supplement the materials within 30 working days.

MERGERS AND DIVISIONS

Companies may merge by way of absorption or by the establishment of a new combining entity. If the companies are merged by absorption, the company being absorbed shall be dissolved; if the companies are merged by establishing a new company, both (or all) original companies shall be dissolved.

SECURITIES LAWS AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee was responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC was the enforcement body for the provisions of the Securities Committee, and was responsible for drafting regulatory requirements of the securities market, supervising securities companies, regulating public offering of securities by Chinese companies domestically and overseas, regulating the trading of securities, compiling securities-related statistics and conducting research and analysis. On March 29, 1998, the State Council merged these two departments and restructured the CSRC.

The Securities Law of the People's Republic of China (《中華人民共和國證券法》), or the PRC Securities Law, which was amended by the Standing Committee of the NPC on December 28, 2019 and came into effect on March 1, 2020, provides a series of provisions regulating, among other things, the issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities in the PRC, and comprehensively regulates

activities in the PRC securities market. The PRC Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issuance and trading of overseas-listed shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Under the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》), or the Arbitration Law, amended by the Standing Committee of the NPC on September 12, 2025 and effective on March 1, 2026, the Arbitration Law is applicable to economic disputes involving foreign parties where the parties have entered into a written agreement to refer the matter to an arbitration committee established in accordance with the Arbitration Law. An arbitration committee may, before the promulgation of arbitration regulations by the China Arbitration Association, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the Civil Procedure Law of the PRC. Where the parties have agreed to settle disputes by means of arbitration, the People's Court shall decline any legal action brought by a party concerning the same matter.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to a People's Court for enforcement according to the Civil Procedure Law of the PRC. The People's Court may refuse to enforce an arbitral award rendered by an arbitration commission if there is any procedural irregularity (for example, the composition of the arbitration committee is improper or the award addresses matters beyond the scope of the arbitration agreement or the authority of the arbitration commission). A party seeking to enforce an arbitral award rendered by a domestic arbitration commission against a party who or whose property is located outside the PRC shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award rendered by a foreign arbitration body may be recognized and enforced by the People's Court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

Under the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, awards rendered by Mainland arbitral authorities can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the Mainland.

This appendix provides a summary of the main provisions of the Articles of Association. As this appendix is intended to provide potential [**REDACTED**] with an overview of the Articles of Association, it does not necessarily contain all information that may be material to potential [**REDACTED**]. The full text of Chinese version of the Articles of Association is available for inspection.

SHARES AND REGISTERED CAPITAL

The shares of the Company shall be evidenced by share certificates.

The Company shall issue shares in an open, fair and just manner, and each share of the same class shall rank *pari passu*. Shares of the same class issued at the same time shall be issued under the same conditions and at the same price [**REDACTED**]; [**REDACTED**] shall pay the same price [**REDACTED**] for the shares they [**REDACTED**] for.

INCREASE OR DECREASE AND REPURCHASE OF SHARES

Increase or Decrease of Shares

In accordance with laws and regulations, the Company may, subject to resolutions by the general meetings and based on its business and development needs, increase its capital by any of the following means:

(I) public offering of shares;

(II) non-public offering of shares;

(III) distribution of bonus shares to existing shareholders;

(IV) conversion of capital reserve into share capital; or

(V) other means permitted by the laws, administrative regulations, or the securities regulatory authorities of the place where the Company's shares are listed.

The Company may reduce its registered capital. The reduction of registered capital shall be made in accordance with the Company Law, Hong Kong Listing Rules, other relevant regulations, and the procedures stipulated in these Articles of Association.

Repurchase of Shares

The Company shall not repurchase its shares, except under any of the following circumstances:

(I) reduction of the Company's registered capital;

(II) merger with another company holding shares in the Company;

(III) allocation of shares for an employee stock ownership plan or equity incentive scheme;

(IV) at the request of shareholders who vote against any resolution on the merger or division of the Company at a general meeting;

(V) conversion of shares into convertible corporate bonds issued by the Company; or

(VI) where necessary for the Company to safeguard its corporate value and the shareholders' interests.

The Company may repurchase its shares through open centralized trading or other methods provided by laws, administrative regulations or the securities regulatory rules of the place where the shares of the Company are listed and approved by the CSRC and the Hong Kong Stock Exchange.

Any repurchase of shares by the Company under circumstance (III), (V) and (VI) above shall be carried out through open centralized trading.

Where the Company repurchases its shares under circumstances (I) and (II) above, a resolution shall be passed at the general meeting; where the Company repurchases its shares under the circumstances (III), (V) and (VI) above, approval by way of resolution adopted at a meeting of the Board that is attended by at least two-thirds of all directors is required, subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are listed.

Upon repurchase of its shares by the Company as provided above under circumstance (I), such shares shall be canceled within 10 days from the date of repurchase; where the Company repurchases its shares under circumstances (II) and (IV), such shares shall be transferred or canceled within six months; where the Company repurchases its shares under the circumstances set out in paragraphs (III), (V) and (VI), 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. If the securities regulatory rules of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

Transfer of Shares

The Company's shares shall be transferred in accordance with the law. All the H Shares shall be transferred in writing by an instrument of transfer in usual or common form or in such other form as may be accepted by the Board (including standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time); and such transfer instruments may be executed only by hand or under a valid corporate seal if the transferor or transferee is a corporation. If the transferor or transferee is a recognized clearing house as

defined in relevant regulations in force from time to time under the laws of Hong Kong (hereinafter referred to as "Recognized Clearing House") or its nominee(s), the transfer instruments may be executed by hand or by machine imprint. All the transfer instruments shall be kept at the legal address of the Company or at such other address as may be designated by the Board from time to time.

The Company does not accept its own shares as the subject of pledge.

A Shares issued by the Company prior to the public offering of shares shall not be transferred within one year from the date on which the Company's shares are listed and traded on the Shenzhen Stock Exchange.

Directors and senior management of the Company shall declare to the Company their shareholdings in the Company and any changes thereof, and shall not transfer more than 25% of the total number of the Company's shares of the same class held by them each year during their terms of office as determined at the time of taking office; and the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The above personnel shall not transfer the shares of the Company held by them within half a year after they leave the Company. Thereafter, the total number of shares transferred by them each year during the remainder of their original terms of office (if applicable) and for a further six months after the terms expire shall not exceed 25% of the total shares of the Company held by them. Where the laws, administrative regulations or the listing rules of the place where the shares of the Company are listed provide otherwise for restrictions on the transfer of the Company's shares, such provisions shall prevail.

If any director, senior management member, or shareholder holding more than 5% of the Company's shares sells the Company's shares or other equity securities held by them within six months after acquisition or repurchases the shares within six months after selling, the profits from these transactions shall belong to the Company, and the Board shall reclaim the profits. However, this does not apply to securities companies holding over 5% of the shares due to the purchase of remaining stocks after underwriting as well as other circumstances specified by the securities regulatory authorities of the place where the Company's shares are listed.

Shares or other equity securities held by directors, senior management personnel and natural person shareholders as mentioned in the preceding paragraph, include shares or other equity securities held by their spouses, parents, children, as well as shares held through others' accounts.

If the Company's Board fails to comply with the aforementioned provisions, shareholders are entitled to request the Board to comply within 30 days. If the Company's Board fails to do so within the aforementioned period, shareholders are entitled to file a directly in their own name for the Company's interests.

If the Company's Board fails to implement the aforementioned provisions, the responsible directors shall bear joint and several liability according to the law.

SHAREHOLDERS AND GENERAL MEETINGS

General Requirements for Shareholders

The Company shall establish a register of members in accordance with the evidentiary documents provided by the securities registration and clearing authority, and such register of members shall be the sufficient evidence substantiating that the shareholders hold the shares of the Company. The original copy of the register of holders of H shares should be maintained in Hong Kong for shareholders' inspection; while the Company may suspend the registration of shareholders in accordance with the applicable laws and regulations and the provisions of the securities regulatory rules of the place where the shares of the Company are listed. Shareholders enjoy rights and undertake obligations according to the class of shares they hold. Shareholders of the same class shall enjoy the same rights and bear the same obligations.

When the Company convenes a general meeting, distributes dividends, conducts liquidation or engages in other activities that require the confirmation of the identity of shareholders, the Board or the convener of the general meeting shall determine the record date. Shareholders whose names appear on the register of members after the close of trading on the record date shall be the shareholders entitled to relevant interests.

Shareholders of the Company shall enjoy the following rights:

(I) to receive dividends and other forms of profit distributions in proportion to the number of shares held;

(II) to request, summon, preside over, attend or appoint a proxy to attend and to speak at the general meetings, and to exercise the corresponding voting rights in accordance with the law;

(III) to supervise the operation of the Company, making suggestions or enquiries;

(IV) to transfer, give or pledge the shares held by them in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association;

(V) to review and copy these Articles of Association, the register of members, minutes of the general meetings, resolutions of the Board meetings, and financial and accounting reports. Qualified shareholders may be entitled to access the accounting books and accounting vouchers of the Company;

(VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;

(VII) to request the Company to repurchase the shares of the shareholders objecting to resolutions on merger or division of the Company at a general meeting; and

(VIII) other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association.

If a shareholder requests to inspect or copy the relevant materials of the Company, he/she shall comply with the applicable laws and administrative regulations, such as the Company Law and the Securities Law.

If a resolution passed at the general meeting or the Board meeting of the Company violates any laws or administrative regulations, the shareholders shall have the right to petition to a People's Court to invalidate the resolution.

If the convening procedure or the form of voting at a general meeting or Board meeting is in violation of laws, administrative regulations or these Articles of Association, or if a resolution is in violation of these Articles of Association, the shareholders shall be entitled to request the People's Court for revocation within 60 days from the date of the adoption of such resolution, unless there is only a slight defect in the procedure of convening or the form of voting at the general meeting or Board meetings of the Company, which has no substantive impact on the resolution.

Where the Board, shareholders or other stakeholders dispute the validity of a resolution of a shareholders' general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or ruling to revoke the resolution, the stakeholders shall execute the resolution of the shareholders' general meeting. The Company, its directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgment or ruling on the relevant matter, the Company shall fulfill its obligations to disclose the information in accordance with laws, administrative regulations, the provisions of the CSRC and the securities regulatory rules of the place where the shares of the Company are listed, fully explain the impact of the judgment or ruling on the Company, and actively cooperate with the authorities in the enforcement of the judgment or ruling after it takes effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfill its obligations to disclose the information accordingly.

Shareholders of the Company shall assume the following obligations:

(I) to abide by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association;

(II) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(III) not to make divestment unless in the circumstances stipulated by laws and regulations;

(IV) not to abuse the rights of shareholders to the detriment of the interests of the Company or those of other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to the detriment of the interests of the creditors of the Company; and

(V) to perform other obligations imposed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law. Shareholders of the Company who abuse the independent status of the Company as a legal person and the limited liability of shareholders to evade debts and seriously damage the interests of the creditors of the Company shall bear joint and several liabilities for the debts of the Company.

Controlling Shareholders and De Facto Controllers

The controlling shareholder and the de facto controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the requirements of the securities regulatory rules of the place where the shares of the Company are listed, and shall safeguard the interests of the Company.

The controlling shareholder and the de facto controller of the Company shall:

(I) exercise shareholders' rights in accordance with the law, and shall not abuse their control or use their connected relationship to act in detriment to the legitimate rights and interests of the Company or other shareholders;

(II) strictly fulfill their public declarations and undertakings, and shall not alter or waive such declarations and undertakings in a unilateral manner;

(III) strictly perform information disclosure obligations in accordance with the relevant regulations, actively cooperate with the Company in its information disclosure work, and promptly inform the Company of any significant events that have occurred or are likely to occur;

(IV) not misappropriate the Company's funds in any manner;

(V) not force, instruct or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(VI) not take advantage of the Company's undisclosed material information for personal gain, or disclose any undisclosed material information related to the Company in any manner, or engage in insider trading, short-swing trading, market manipulation or any other unlawful or non-compliant acts;

(VII) not harm the lawful rights and interests of the Company and other shareholders by means of unfair related party transactions, profit distribution, asset restructuring, external investment or any other means;

(VIII) ensure the integrity of the Company's assets, and the independence of its personnel, finances, organization and business operations, and shall not affect the Company's independence in any manner; and

(IX) comply with other provisions stipulated by laws, administrative regulations, the requirements of the CSRC, the business rules of the stock exchange and other securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

Where the controlling shareholder or the de facto controller of the Company does not serve as a director but actually handles the Company's affairs, the provisions of these Articles of Association regarding the fiduciary duties and duties of care of directors shall apply.

Where the controlling shareholder or the de facto controller of the Company instructs any director or senior management to engage in acts in detriment of the interests of the Company or its shareholders, such controlling shareholder or de facto controller shall bear joint and several liability together with such director or senior management.

Where the controlling shareholder or de facto controller pledges the shares it holds or effectively controls in the Company, it shall maintain the stability of the Company's control and its production and operations.

When transferring its shares in the Company, the controlling shareholder or de facto controller shall comply with the restrictive provisions on share transfer under laws, administrative regulations, the requirements of the securities authorities of the place where the shares of the Company are listed, and its undertakings made in respect of restrictions on share transfer.

General Rules for General Meetings

The general meeting of the Company shall comprise all shareholders. The general meeting is the organ of authority of the Company and exercises the following functions and powers in accordance with the law:

(I) To elect and replace non-employee representatives as directors, and to decide on matters relating to 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 pass resolutions on the increase or decrease of the registered capital of the Company;

(V) To make resolutions on the issuance of corporate bonds;

(VI) To make resolutions on the merger, division, dissolution, liquidation or change of the corporate form of the Company;

(VII) To amend the Articles of Association of the Company;

(VIII) To make resolutions on the Company's engagement or dismissal of the accounting firm that undertakes the Company's auditing services;

(IX) To consider and approve the guarantees and financial assistance matters stipulated in Article 47 of the Articles of Association;

(X) To consider the matters in which the material assets purchased or sold by the Company within one year exceed 30% of the latest audited total assets of the Company;

(XI) To consider and approve the change of use of proceeds;

(XII) To consider the equity incentive schemes and employee stock ownership plans;

(XIII) To consider transaction concluded by the Company that meet any of the following criteria (excluding the provision of guarantees and financial assistance):

1. The total assets involved in the transaction account for more than 50% of the Company's latest audited total assets; and where the assets involved in the transaction have both a carrying value and an appraised value, the higher of the two shall be used as the basis for calculation;

2. The operating revenue from the subject matter of the transaction (such as equity interests) in the most recent fiscal year accounts for more than 50% of the Company's audited operating revenue for that year, and the absolute amount exceeds RMB50 million;

3. The net profit from the subject matter of the transaction (such as equity interests) in the most recent fiscal year accounts for more than 50% of the Company's audited net profit for year, and the absolute amount exceeds RMB5 million;

4. The consideration for the transaction (including assumed debts and expenses) accounts for more than 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million; and

5. The profit arising from the transaction accounts for more than 50% of the Company's audited net profit in the most recent fiscal year, and the absolute amount exceeds RMB5 million.

If any data involved in the above calculations is negative, its absolute value shall be used for such calculations.

The aforementioned "transactions" refer to the purchase or sale of assets; external investment (including wealth management and investments in subsidiaries, but excluding the establishment of or capital increase in wholly-owned subsidiaries); leasing in or leasing out of assets; execution of management contracts (including entrusted operations or mandated operations); donation or receipt of assets; restructuring of claims or debts; transfer of research and development projects; execution of license agreements; waiver of rights (including the waiver of the right of first refusal or pre-emptive rights); and other transactions as identified by the stock exchange.

Transactions from which the Company unilaterally obtains benefits, such as the receipt of donated cash assets or the remission of debts, may be exempted from the deliberation procedures of the general meeting.

(XIV) To consider related party transactions with an amount exceeding RMB30 million and accounting for more than 5% of the absolute value of the Company's latest audited net assets (excluding the provision of guarantees); and

(XV) To consider other matters that shall be decided by the general meeting as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Company's Articles of Association.

The general meeting may authorize the Board to pass resolutions on the issuance of corporate bonds.

The Company may issue shares or corporate bonds convertible into shares pursuant to a resolution of the general meeting, or a resolution of the Board as authorized by these Articles of Association or the general meeting. The specific issuance shall comply with the provisions of laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

Except as otherwise provided under the laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed, the above functions and powers of the general meetings shall not be exercised by the Board or other institutions or individuals on their behalf by means of authorization.

The following external guarantees of the Company shall be considered and approved by the general meeting:

(I) A single guarantee with an amount exceeding 10% of the Company's latest audited net assets;

(II) Any provision of guarantee after the total amount of external guarantees of the Company and its controlled subsidiaries has exceeded 50% of the latest audited net assets of the Company;

(III) Any guarantee provided for a guaranteed party whose asset-liability ratio exceeds 70%;

(IV) Guarantees with a cumulative amount within the last 12 months exceeding 50% of the latest audited net assets of the Company and with an absolute value exceeding RMB 50 million;

(V) Any provision of guarantee after the total amount of external guarantees of the Company and its controlled subsidiaries has exceeded 30% of the latest audited total assets of the Company;

(VI) Guarantees with a cumulative amount within the last 12 months exceeding 30% of the Company's latest audited total assets;

(VII) Guarantees provided to the shareholders, the de facto controller and their related parties; and

(VIII) Other guarantees as provided for by laws, regulations, or the securities regulatory rules of the place where the Company's shares are listed.

When the Board considers any matter of guarantees, it shall be approved by at least two-thirds of the directors present at the Board meeting. When the general meeting considers the guarantee in item (VI) of the preceding paragraph, it shall be approved by at least two-thirds of the voting rights held by the shareholders present at the meeting.

When a resolution on the guarantee for a shareholder, de facto controllers and their related persons is considered at the general meeting, such shareholder or shareholders controlled by such de facto controllers shall not participate in voting, and such resolution shall be approved by more than half of the voting rights held by other shareholders present at the general meeting.

Where the Company provides a guarantee for the controlling shareholder, the de facto controller, or their respective related parties, such controlling shareholder, de facto controller, or their respective related parties shall provide a counter-guarantee.

General meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of occurrence:

(I) where the number of directors is less than two-thirds of the number as prescribed in the Company Law or the number of directors as prescribed in the Articles of Association of the Company;

(II) when the unrecovered losses of the Company have reached one-third of the total paid-in share capital;

(III) at the request of shareholders individually or collectively holding more than 10% of the shares of the Company;

(IV) when the Board deems necessary;

(V) when the Audit Committee proposes to convene such meeting;

(VI) other circumstances as provided for by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association of the Company.

Convening of General Meetings

The Board shall convene the general meeting within the prescribed time limit.

Independent directors have the right to propose to the Board to convene an extraordinary general meeting with the consent of more than half of all independent directors. Regarding the proposal of the independent directors to convene an extraordinary general meeting, the Board shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association of the Company, provide a written reply of consent or refusal within 10 days after receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of such meeting within five days after a Board resolution is passed; if the Board disagrees to convene an extraordinary general meeting, it shall provide an explanation and make a public announcement.

Any proposal made by the Audit Committee to the Board to convene an extraordinary general meeting shall be put forward in writing to the Board. The Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, provide a written reply of consent or refusal within 10 days after receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, a notice of such meeting will be issued within five days after a Board resolution is passed. Any changes to the original proposals in the notice shall be approved by the Audit Committee.

If the Board does not agree to convene an extraordinary meeting or fails to provide feedback within 10 days upon receipt of the proposal, the Board shall be deemed to be unable or failing to perform its duties of convening such meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders individually or collectively holding more than 10% of the shares of the Company have the right to request the Board to convene an extraordinary general meeting. The request shall be made in writing. The Board shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, provide a written reply of consent or refusal within 10 days after receipt of the request.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of such meeting within five days after a Board resolution is passed. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the Board does not agree to convene an extraordinary general meeting, or fails to respond within 10 days after receiving the request, the shareholders individually or collectively holding more than 10% of the shares of the Company have the right to propose to the Audit Committee to convene an extraordinary general meeting. The proposal shall be submitted in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening such general meeting within five days after receipt of the request. Any changes to the original request in the notice shall be approved by relevant shareholders.

If the Audit Committee fails to issue a notice of the general meeting within the prescribed time limit, the Audit Committee shall be deemed not to convene and preside over the general meeting, and the shareholders who individually or collectively hold more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or the shareholders decide to convene a general meeting on their own, they shall notify the Board in writing and file with the stock exchange at the same time in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

The Audit Committee or the convening shareholders shall submit relevant supporting materials to the stock exchange in accordance with the securities regulatory rules of the place where the shares of the Company are listed when issuing a notice of the general meeting or an announcement of the resolutions of the general meeting.

Before the resolutions of the general meeting are announced, the convening shareholders shall hold not less than 10% of the shares.

The Board and the secretary to the Board shall cooperate in the general meeting convened by the Audit Committee or the shareholders on their own. The Board shall provide the register of members as at the record date.

The Company shall bear the necessary expenses of the general meeting convened by the Audit Committee or the shareholders on their own.

Proposals and Notices of General Meetings

The content of the proposal shall fall within the terms of reference of the general meeting, with clear topics and specific resolutions, and comply with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The Board, the Audit Committee and the shareholders individually or collectively holding more than 1% of the shares of the Company shall have the right to put forward proposals to the Company when the Company convenes a general meeting.

Shareholders individually or collectively holding more than 1% of the shares of the Company may put forward an interim proposal and submit it in writing to the convener 10 days before the general meeting. The convener shall, within two days after receiving the proposal, issue a supplementary notice of the general meeting to announce the content of the interim proposal, and submit the interim proposal to the general meeting for consideration, unless the

interim proposal violates the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, or does not fall within the scope of the terms of reference of the general meeting. If the general meeting must be postponed due to the issuance of a supplementary notice of the general meeting according to the provisions of the securities regulatory rules of the place where the shares of the Company are listed, the convening of the general meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

Except for the circumstances prescribed in the preceding paragraph, after the convener has issued the notice of general meeting, the proposals specified in the notice of the general meeting shall not be modified, nor shall any new proposals be added.

For proposals that are not specified in the notice of the general meeting or do not comply with the provisions of the Articles of Association, the general meeting shall not vote on and pass resolutions.

The convener shall notify all shareholders in writing (including announcement) 21 days before the annual general meeting and 15 days before an extraordinary general meeting.

When calculating the aforementioned notice periods, the Company shall exclude the date of the meeting.

The notice of the general meeting includes the following:

(I) the time, place and duration of the meeting;

(II) the matters and proposals submitted to the meeting for consideration;

(III) an explanation in conspicuous words that all shareholders have the right to attend the general meeting, and may authorize a proxy in writing to attend the meeting and vote at the meeting, and such proxy need not be a shareholder of the Company;

(IV) The shareholding record date of shareholders entitled to attend the general meeting;

(V) The name and telephone number of the permanent contact person for conference affairs; and

(VI) The time and procedure of voting (including online voting).

The notice and supplementary notice of the general meeting shall fully and completely disclose the particulars of each proposal.

Voting (including online voting) at a general meeting shall begin no earlier than 3:00 p.m. on the day before the on-site general meeting, and no later than 9:30 a.m. on the day of the on-site general meeting, and it shall end no earlier than 3:00 p.m. on the day of closing the on-site general meeting.

The interval between the shareholding record date and the date of the meeting shall not be more than seven working days, and the shareholding record date shall not be changed once it is confirmed.

If the general meeting intends to discuss the election of directors, the notice of the general meeting shall fully disclose the detailed information of the director candidates, including at least the following:

(I) personal status such as educational background, working experience, part-time jobs, etc.;

(II) whether the candidate has any connected relationship with the Company or the Company's controlling shareholder or de facto controller;

(III) the number of shares of the Company held;

(IV) whether the candidate has ever been penalized by the CSRC and other relevant authorities or the stock exchange at the place where the shares of the Company are listed; and

(V) whether the candidate meets the qualifications as required by laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Except for the election of directors by cumulative voting, each candidate for director shall be proposed by a single proposal.

After the notice of general meeting has been issued, the general meeting shall not be postponed or canceled without valid reasons, and the proposals specified in the notice of general meeting shall not be canceled. In the event of postponement or cancelation, the convener shall make an announcement and explain the reason at least two working days before the original convening date. If the securities regulatory rules of the place where the shares of the Company are listed have special provisions on the procedures for postponing or canceling the general meeting, such provisions shall prevail, provided that the regulatory requirements of the place of incorporation of the Company are not violated.

Holding of General Meetings

All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting, and to vote in accordance with the relevant laws and regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association (except for any shareholder who is required by the securities regulatory rules of the place where the shares of the Company are listed to abstain from voting in respect of particular matters).

Shareholders may attend the general meeting in person, or appoint a proxy to attend and vote on their behalf. Each shareholder shall be entitled to appoint one proxy, and such proxy is not required to be a shareholder of the Company. In the case of a shareholder being a corporate legal person, it may appoint a proxy to attend and vote at any general meeting of the Company, and if such corporate shareholder has appointed a proxy to attend any meeting, it shall be deemed to be present in person. A form of proxy may be signed by a person who is duly authorized by the corporate shareholder. Shareholders are entitled to (1) speak and (2) vote at general meetings, except for any shareholder who is required by the securities regulatory rules of the place of listing to abstain from voting in respect of a particular matter.

If an individual shareholder attends the meeting in person, he/she shall produce their identity card or other valid documents or evidence that can identify him/herself; if a person attends on behalf of a shareholder, he/she shall produce their own valid identity document and the power of attorney of the shareholder.

For a shareholder who is a corporate legal person, its legal representative or a proxy authorized by its legal representative shall attend the meeting. If its legal representative attends the meeting, they shall produce their own valid identity card and a valid document to prove their qualification as a legal representative; if a proxy attends the meeting, the proxy shall produce their own identity card and a power of attorney in writing issued by the legal representative of the corporate shareholder in accordance with the law (except for corporate shareholders who are recognized clearing houses and their proxies).

The power of attorney issued by a shareholder for appointing another person to attend the general meeting shall contain the following:

(I) The name of the principal, the class and number of the Company's shares held;

(II) The name of the proxy;

(III) The specific instructions of the shareholder, including the instructions to vote for, against or abstain from voting on each matter to be considered on the agenda of the general meeting, etc.;

(IV) The date of issuance and the validity period of the power of attorney; and

(V) Signature (or seal) of the principal. If the principal is a corporate legal person, the power of attorney shall bear the official seal of such legal person or be signed by its director(s) or duly appointed representative thereof.

The power of attorney shall specify whether the proxy may vote at his/her own discretion if no specific instructions are given by the shareholder.

Where the form of proxy for voting is signed by another person authorized by the principal, the power of attorney or other documents authorizing the signing shall be notarized. The notarized power of attorney or other authorization documents and the form of proxy for voting shall be kept at the domicile of the Company or such other place as may be specified in the notice of convening the meeting.

A form of proxy for voting shall be placed at the Company's domicile or at such other place as may be specified in the notice of convening the meeting at least 24 hours before the meeting at which such proxy is required to vote, or 24 hours before the time specified for voting. Where the power of attorney is signed by another person authorized by the principal, the power of attorney or other documents authorizing the signing shall be notarized. The notarized power of attorney or other authorization documents shall be kept at the domicile of the Company or such other places as may be specified in the notice of convening the meeting, together with the forms of proxy for voting.

Where the proxy is a corporate legal person, its legal representative or a person authorized by a resolution of its Board or other decision-making body shall attend the general meeting of the Company as its representative.

If such shareholder is a recognized clearing house or its proxy, the recognized clearing house may authorize such person or persons as it thinks fit to act as its proxy at any meetings of shareholders and creditors; provided that, if two or more persons are so delegated, then the power of attorney shall clearly state the number and class of shares in respect of which each such person is so authorized, and shall be signed by an authorized officer of the recognized clearing house. A person so authorized may exercise the rights on behalf of the recognized clearing house or its nominees as if the person were an individual shareholder of the Company.

The register of attendees of the meetings shall be prepared by the Company. The register of meetings shall contain the names of the persons (or the names of entities) attending the meetings, their identity card numbers, the amount of shares with voting rights held or represented, and the names of their principals (or the names of their entities), etc.

The convenor and the legal advisors retained by the Company shall jointly verify the eligibility of the shareholders to vote based on the Company's register of members provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of voting shares they have. Registration shall come to a close before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote.

If requested by the general meeting, directors and senior management personnel shall attend the meeting and respond to inquiries from shareholders.

The Chairman shall preside over the general meeting. If the Chairman is unable or fails to to perform the presiding duties, a director elected by a majority of the directors shall preside over the meeting.

A general meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform the presiding duties, a member of the Audit Committee elected by a majority of its members shall preside over the meeting.

A general meeting convened by the shareholders themselves shall be presided over by the convenor or their representative.

If a general meeting is hindered from proceeding due to the meeting chair's violation of the rules of procedure, the shareholders present may, by a majority of the voting rights, elect a person to act as the meeting chair and continue the meeting.

The Company shall establish the rules of procedure for general meetings to govern the summoning and convening of meetings and the voting process. These rules shall cover the notification, registration, consideration of proposals, voting, vote counting, announcement of results, formation of resolutions, recording and signing of minutes, and publication of announcements. Additionally, the rules shall define the principles for delegating authority to the Board, provided that the scope of such authorization is clear and specific. The rules of procedure shall constitute an appendix to these Articles of Association, be prepared by the Board, and be subject to approval by the general meeting.

At the annual general meeting, the Board shall report on their work for the previous year. All independent directors are required to deliver separate work reports.

The directors and senior management shall respond to and provide an explanation at the general meeting for inquiries or suggestions from shareholders.

Prior to voting, the meeting chair shall announce the number of shareholders and proxies present at the meeting as well as the total number of voting shares held by them. These figures shall be determined in accordance with those registered during the meeting.

The secretary to the Board shall prepare and maintain minutes of each general meeting. Such minutes shall include the following:

(I) the date and venue for convening the meeting, meeting agenda and the name of the convenor;

(II) the name of the chairman of the meeting as well as those of the directors and senior management who attend the meeting as non-voting attendees;

(III) the number of shareholders and proxies attending the meeting, the total number of voting shares represented by the shareholders who are entitled to vote; the proportion of the number of voting shares represented by the shareholders who are entitled to vote out of the total number of shares of the Company;

(IV) a description of the considerations taken for each proposal, the main points put forward by each speaker relating thereto and the voting results thereof;

(V) details of inquiries and suggestions of the shareholders and the corresponding response or explanation in relation thereto;

(VI) the names of the lawyer, counting officer and the scrutineer; and

(VII) other matters required to be recorded in the minutes under these Articles of Association.

The convenor shall ensure that the content of the minutes is true, accurate and complete. The minutes shall be signed by voting and non-voting attendees at the meeting, including the directors, secretary to the Board, the convenor or its representative and the meeting chair. The minutes shall, together with the attendance register of shareholders present in person, powers of attorney appointing proxies, and valid records of votes cast online or via other permitted means, be kept by the Company for 10 years.

The convenor shall ensure that a general meeting is held on a continuous basis until a final resolution is adopted. If a general meeting is suspended or no resolution can be adopted due to force majeure or other exceptional reasons, necessary measures shall be taken to promptly resume or directly terminate the meeting, and a public announcement thereof shall be made immediately. in addition, the convenor shall report the same to the local branch of the CSRC and to the stock exchange where the shares of the Company are listed (if required).

Voting and Resolutions of General Meetings

Resolutions of general meetings shall be classified as either ordinary resolutions or special resolutions.

An ordinary resolution of the general meeting shall be passed by votes representing more than half of the voting rights represented by the shareholders present at the meeting.

A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders present at the meeting.

Shareholders referred to in this Article shall include shareholders who designate a proxy or proxies to attend general meetings.

The following matters shall be passed by general meetings by way of ordinary resolutions:

(I) work reports of the Board;

(II) profit distribution plans and loss recovery plans formulated by the Board;

(III) appointment and removal of members of the Board, their remuneration and payment methods; and

(IV) matters other than those required by laws, administrative regulations, provisions of the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be passed by way of special resolutions.

The following matters shall be passed by general meetings by way of special resolutions:

(I) increase or decrease of the registered capital of the Company;

(II) division, spin-off, merger, dissolution and liquidation of the Company;

(III) amendments to the Articles of Association;

(IV) the Company's acquisition or disposal of material assets or provision of guarantees to other parties conducted within the period of one year with a value exceeding 30% of the latest audited total assets of the Company;

(V) share incentive plans; and

(VI) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, as well as those that the general meeting determines, by ordinary resolution, to have a material impact on the Company, thereby requiring a special resolution for approval.

DIRECTORS AND THE BOARD

General Requirements for Directors

Directors of the Company shall be natural persons. A person who falls under any of the following circumstances shall not become a director of the Company:

(I) a person who is incapacitated or limited in capacity for civil conduct;

(II) a person who has been sentenced to criminal punishment for corruption, bribery, expropriation or misappropriation of property, or disruption of the economic order of the socialist market, or who was deprived of their political rights as punishment for a criminal offense, and a period of five years has not elapsed since the deprivation ended, or who has been sentenced to suspended sentence, and a period of two years has not elapsed since the expiration date of the period of probation of the suspended sentence;

(III) a person, who was a director, factory chief or manager of a company or enterprise which went into insolvent liquidation, and was personally liable for that insolvent liquidation and a period of three years, counting from the date of completion of the liquidation proceedings in question, has not elapsed;

(IV) a person, who served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close due to a violation of law, where such person is personally liable and less than three years have passed since the date of such revocation or order;

(V) a person with comparatively large debts for which he is personally liable and which have fallen due but have not been settled, classified as a dishonest person against whom enforcement is sought by the People's Court;

(VI) a person who is subject to securities market entry bans imposed by the CSRC, with an unexpired term;

(VII) a person who is publicly recognized by the stock exchange as unsuitable to serve as a director, or senior management officer of a listed company, with an unexpired term; and

(VIII) other circumstances as prescribed by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the shares of the Company are listed.

Directors shall abide by the provisions of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, owe duties of loyalty to the Company, and take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their powers to seek improper interests.

Directors shall owe the following duties of loyalty to the Company:

(I) not to embezzle the Company's property or misappropriate the Company funds;

(II) not to use the Company's funds to open and deposit into accounts in their own name or other individuals' names;

(III) not to take advantage of their positions to solicit or accept bribes or other illegal income;

(IV) not to enter into contracts or conduct transactions with the Company, whether directly or indirectly, without reporting to the Board or the general meeting and obtaining approval by way of a resolution thereof in accordance with the Articles of Association;

(V) not to take advantage of their positions to seek business opportunities belonging to the Company for themselves or others, unless: (i) the matter has been reported to the Board or the general meeting and approved by resolution in accordance with these Articles of Association; or (ii) the Company is unable to utilize the business opportunity in accordance with the provisions of laws, administrative regulations or the Articles of Association;

(VI) not to engage in any business operations similar to those of the Company for themselves or for others without reporting to the Board or general meetings and obtaining approval by resolutions of the general meetings;

(VII) not to retain commissions for themselves from transactions between other parties and the Company;

(VIII) not to disclose Company secrets without authorization;

(IX) not to use their connections to prejudice the interests of the Company; and

(X) to perform other duties of loyalty as prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

Income obtained by directors in violation of the provisions of this Article shall belong to the Company. Directors causing losses to the Company due to such violation shall be liable for compensation.

The provisions of paragraph (IV) above shall apply to the close relatives of directors and senior management personnel, enterprises directly or indirectly controlled by directors or senior management personnel or their close relatives, or any other persons having other connections with the directors or senior management personnel, who enter into contracts or conduct transactions with the Company.

Directors shall abide by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, owe duties of care to the Company, and perform duties with reasonable care that managers should ordinarily exercise in the best interests of the Company.

Directors shall owe the following duties of care to the Company:

(I) to prudently, attentively, and diligently exercise the rights granted by the Company to ensure that the Company's business activities comply with requirements of national laws, administrative regulations, and national economic policies, and the business activities are within the business scope stipulated by the business license;

(II) to treat all shareholders fairly;

(III) to keep informed of the business operation and management of the Company in a timely manner;

(IV) to sign a written confirmation or opinion in connection with the regular reports of the Company and to ensure that the information disclosed by the Company is true, accurate and complete;

(V) to inform the Audit Committee of the relevant circumstances and information based on facts, and not to hinder the Audit Committee from exercising their powers;

(VI) to perform other duties of care as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The Board

The Company shall have a Board comprising of seven to nine directors, including three independent directors. Directors of the Company may include executive directors, non-executive directors and independent directors. Non-executive directors refer to those directors who do not hold any operation and management duties in the Company. The Board shall have one chairman, who shall be elected by a majority of all the directors in the Board. The Company may have employee representative directors in the Board.

The Board shall exercise the following functions and powers:

(I) to convene general meetings and report its work to the general meetings;

(II) to implement the resolutions of the general meetings;

(III) to decide on the Company's business plans and investment plans;

(IV) to formulate the Company's profit distribution plans and loss recovery plans;

(V) to formulate plans for the increase or reduction of the Company's registered capital and the issuance of debentures or other securities and listing plans;

(VI) to formulate plans for major acquisitions, repurchase of shares of the Company or merger, division, dissolution and change of corporate form of the Company;

(VII) to determine the investments, acquisition and disposal of assets, asset pledges, external guarantees, entrusted asset management, related-party transactions and external donations of the Company within the scope of authorization by the general meeting;

(VIII) to decide on the establishment of the Company's internal management structure;

(IX) to decide on the appointment or dismissal of the Company's general manager and secretary to the Board, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, chief financial controller and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;

(X) to formulate the basic management system of the Company;

(XI) to formulate plans for amending the Articles of Association;

(XII) to manage the information disclosure of the Company;

(XIII) to propose to general meetings the appointment or replacement of the accounting firm that provides audit services to the Company;

(XIV) to listen to the work report of the general manager of the Company and inspect the work of the general manager; and

(XV) other functions and powers conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The Board shall define the authority for outbound investments, acquisitions or disposals of assets, asset pledges, external guarantees, entrusted asset management, related-party transactions, and external donations, and shall establish strict review and decision-making procedures. For major investment projects, the Board shall organize the relevant experts and professional officers to conduct assessment and submit them to the general meeting for approval. The scope of authority granted by the general meeting to the Board for handling various transactions concluded by the Company (excluding the provision of guarantees and financial assistance) is as follows:

(I) The total assets involved in the transaction account for less than 50% of the Company's latest audited total assets; and where the assets involved in the transaction have both a carrying value and an appraised value, the higher of the two shall be used as the basis for calculation;

(II) The operating revenue from the subject matter of the transaction (such as equity interests) in the most recent fiscal year accounts for less than 50% of the Company's audited operating revenue for that year, or the absolute amount does not exceed RMB50 million;

(III) The net profit from the subject matter of the transaction (such as equity interests) in the most recent fiscal year accounts for less than 50% of the Company's audited net profit for that year, or the absolute amount does not exceed RMB5 million;

(IV) The consideration for the transaction (including assumed debts and expenses) accounts for less than 50% of the Company's latest audited net assets, or the absolute amount does not exceed RMB50 million;

(V) The profit arising from the transaction accounts for less than 50% of the Company's audited net profit in the most recent fiscal year, and the absolute amount exceeds RMB5 million.

If the data involved in the calculation of the above indicators is negative, its absolute value will be used for calculation.

(VI) The cumulative amount of major assets purchased or sold for twelve consecutive months has not exceeded 30% of the Company's latest audited total assets;

(VII) Any changes in accounting policies or accounting estimates determined by the Board, except for those matters required to be considered and approved by the general meeting pursuant to relevant regulations;

(VIII) Other external guarantees decided by the Board under the authorization of the general meeting, except for those required to be resolved by the general meeting pursuant to the Articles of Association;

(IX) Related party transactions (excluding the provision of guarantees) with an amount not exceeding RMB30 million or accounting for less than 5% of the absolute value of the Company's latest audited net assets;

(X) Other investment and decision-making powers granted by the general meeting; and

(XI) Other matters subject to the Board's deliberation pursuant to the listing rules of the place where the Company's shares are listed and other relevant regulations.

The Board may, within the scope of its authority, delegate certain powers to the General Manager, which shall be specified in the Detailed Working Rules for the General Manager.

INDEPENDENT DIRECTORS

Independent directors shall diligently perform their duties in accordance with laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association. They shall fulfill their roles in the Board participating in decision-making, exercising supervisory checks and balances, and providing professional advice, to safeguard the Company's overall interests and protect the lawful rights and interests of minority shareholders.

Independent directors shall maintain independence. The following persons shall not serve as independent directors:

(I) persons who work in the Company or its subsidiaries and their spouses, parents, children and close associates;

(II) natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company and their spouses, parents and children;

(III) Persons employed by any shareholder that directly or indirectly holds 5% or more of the Company's issued shares, or is among the top five shareholders of the Company, as well as the spouses, parents, and children of such persons;

(IV) persons who work for the subsidiaries of the Company's controlling shareholder or de facto controller and their spouses, parents and children;

(V) Persons who have major business relationships with the Company, its controlling shareholder, its de facto controller, or their respective affiliated enterprises; or persons who are employed by an entity (including its controlling shareholder or de facto controller) that has major business relationships with the Company;

(VI) persons who provide financial, legal, consulting, underwriting and other services to the Company, its controlling shareholders, de facto controller or their respective subsidiaries, including but not limited to all project team members, reviewers at all levels, persons who sign reports, partners, directors, senior management and principal persons in charge of intermediary institutions providing services;

(VII) Persons who have had the circumstances listed in paragraphs (I) to (VI) in the past twelve months; and

(VIII) Other persons who are not independent as stipulated by laws, administrative regulations, regulations of the CSRC, provisions of regulatory authorities, such as the stock exchange of the place where the shares of the Company are listed, and the Articles of Association.

The following matters shall be submitted to the Board for consideration upon approval by a majority of all independent directors of the Company:

(I) related party transactions to be disclosed;

(II) the plan for the change or waiver of undertakings by the Company and related parties;

(III) the decisions made and measures taken by the board of the acquired listed company in respect of the acquisition; and

(IV) other matters stipulated by laws, administrative regulations, regulations of the CSRC, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

SPECIAL COMMITTEES UNDER THE BOARD

The Board of the Company shall establish an Audit Committee to exercise the functions and powers of the Board of Supervisors as stipulated by the Company Law.

The Audit Committee shall consist of three members, all of whom shall be non-executive directors or independent directors, with independent directors forming the majority. The chairman of the Audit Committee shall be a professional among the independent directors who possesses accounting or financial management expertise as required by the securities regulatory rules of the place where the shares of the Company are listed.

The Audit Committee is responsible for auditing the financial information of the Company and its disclosure, supervising and evaluating internal and external audits, and internal control. The following matters shall be submitted to the Board for consideration after being approved by a majority of all members of the Audit Committee:

(I) disclosure of the financial information in financial and accounting reports and regular reports, and the evaluation report on internal control;

(II) appointment or dismissal of an accounting firm which undertakes the audit work of the Company;

(III) appointment or dismissal of the person in charge of the finance of the Company;

(IV) changes in accounting policies or accounting estimates or corrections of significant accounting errors due to reasons other than changes in accounting standards; and

(V) other matters as stipulated by laws, administrative regulations, regulations of the CSRC, and provisions of the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The Board of the Company shall set up other special committees, such as Strategy and Sustainability Committee, Nomination Committee, and Remuneration and Appraisal Committee. These committees shall perform their duties as authorized by the Articles of Association and the Board, and proposals made by by these special committees shall be submitted to the Board for consideration and approval. The working procedures of these special committees shall be formulated by the Board.

Independent directors shall constitute the majority of the Nomination Committee and the Remuneration and Appraisal Committee, and shall serve as the chairmen of these committees. The Nomination Committee shall include at least one director of a different gender.

SENIOR MANAGEMENT PERSONNEL

The Company shall have one general manager who shall be appointed or dismissed by the Board.

The Company shall have certain deputy general managers, who shall be shall be appointed or dismissed by the Board.

The provisions of these Articles of Association relating to the circumstances under which a person may not become a director and the system for managing the termination of their office shall also apply to the senior management personnel.

The duties of loyalty and care of Directors in these Articles of Association shall also apply to senior management personnel.

Any person holding an administrative position, other than as a director or supervisor, in the Company's controlling shareholder shall not serve as a senior management member of the Company.

Senior management personnel of the Company shall receive their remuneration only from the Company, and no remuneration shall be paid by the controlling shareholder on behalf of the Company.

The general manager shall be accountable to the Board and exercise the following functions and powers:

(I) to manage the Company's production and operations, to organize the implementation of resolutions of the Board, and to report their work to the Board;

(II) to organize the implementation of annual business and investment plans of the Company;

(III) to draft plans for establishing the internal management structure of the Company;

(IV) to draft the Company's basic management draft;

(V) to formulate the Company's specific rules and regulations;

(VI) to propose to the Board to appoint or dismiss the Company's deputy general managers and chief financial officer;

(VII) to decide to appoint or dismiss management personnel other than those to be appointed or dismissed by the Board; and

(VIII) other powers conferred by these Articles of Association or the Board.

The deputy general managers shall be nominated by the general manager and appointed by the Board. They shall be accountable to the general manager, perform their duties within the scope of authority granted by the general manager, and assist the general manager at work.

The Company shall have a secretary to the Board, who shall be responsible for preparation and preservation of documents of the general meetings and the Board meetings, the management of the shareholders' information of the Company, and the handling of matters in relation to information disclosure.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial Accounting System

The Company shall formulate its financial accounting system in accordance with laws, administrative regulations and the requirements of relevant departments of the State.

The Company shall submit and disclose its annual reports to the local office of the CSRC and the stock exchanges where the shares of the Company are listed within four months after the end of each fiscal year, and submit and disclose the interim reports to the local office of the CSRC and the stock exchanges where the shares of the Company are listed within two months after the end of the first half of each fiscal year.

The above annual reports and interim reports shall be prepared in accordance with laws, administrative regulations, the provisions of the CSRC and the stock exchanges where the shares of the Company are listed.

The Company shall not establish account books other than the statutory account books. The funds of the Company shall not be deposited in any personal account.

When any after-tax profits for the current year are distributed, the Company shall allocate 10% of the profit to the statutory reserve fund of the Company. If the aggregate amount of the statutory reserve funds exceeds 50% of the registered capital of the Company, no more allocation shall be required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profit of the current year shall first be used to make up the said losses before any statutory reserve fund is allocated as per the provision of the preceding paragraph.

After allocating its after-tax profits to the statutory reserve fund, the Company may also, subject to resolutions adopted at a general meeting, allocate some of its after-tax profits into its discretionary reserve funds.

After making up for the losses and making contributions to the common reserve fund, any remaining profit after tax shall be distributed to the shareholders in proportion to their respective shareholdings, unless these Articles of Association stipulate otherwise regarding the method of profit distribution.

If the general meeting, in violation of the Company Law, distributes profits to the shareholders, the profits so distributed shall be returned to the Company; in case of losses caused to the Company, shareholders and responsible directors and senior management personnel shall be liable for compensation.

No profit shall be distributed in respect of the shares held by the Company.

The Company shall appoint a collecting agent or collecting agents in Hong Kong for the shareholders of H Shares, who shall collect and retain dividends and other amounts payable by the Company in respect of H Shares on behalf of the relevant shareholders of H Shares, and then pay the same to these shareholders. The collecting agents appointed by the Company shall meet the requirements of the laws, regulations and securities regulatory rules of the place where the Company's shares are listed.

The common reserve funds of the Company shall be applied for making up for losses, expanding the Company's production and operation or increasing its capital.

The Company shall first use discretionary reserve and statutory reserve funds to offset losses; if the losses cannot be fully covered, the capital reserve may be used in accordance with relevant provisions.

If the statutory reserve fund is converted into an increase in registered capital, the balance of the statutory reserve fund shall not fall below 25% of the Company's registered capital before the increase of the capital.

Internal Audit

The Company maintains an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results and accountability in relation to internal audit work.

The internal audit system of the Company shall be implemented and disclosed to the public upon approval by the Board.

The internal audit institution of the Company supervises and inspects the Company's business activities, risk management, internal control, financial information and other matters.

The internal audit institution is accountable to the Board.

When supervising and inspecting the Company's business activities, risk management, internal control and financial information, the internal audit institution shall be subject to oversight and guidance of the Audit Committee. If the internal audit institution discovers any significant issues or leads, it shall immediately report directly to the Audit Committee.

Engagement of Accounting Firms

The Company shall engage an accounting firm which is qualified under the Securities Law to conduct accounting statement audit, net asset verification and other related consulting services. The engagement period shall be one year and can be renewed.

The engagement and dismissal of an accounting firm by the Company shall be determined at a general meeting. The Board shall not engage an accounting firm before any resolution is adopted at a general meeting.

The Company shall ensure the provision of true and complete accounting vouchers, account books, financial and accounting reports and other accounting data to the accounting firm engaged by it. The Company shall not conceal or refuse to provide such information, or provide false information.

The audit fees to the accounting firm shall be decided by the general meeting.

When the Company dismisses or does not renew the appointment of an accounting firm, it shall notify the auditing firm 30 days in advance, and the accounting firm shall be allowed to state its opinion when the general meeting of the Company votes on the dismissal of the accounting firm.

If the accounting firm proposes to resign, it shall explain to the general meeting whether there is any improper circumstance in the Company.

Merger and Division

The merger of the Company may take the form of merger by absorption or merger by the establishment of a new company.

Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by establishment of a new company refers to the establishment of a new company by merging two or more companies, whereby the merger parties shall be dissolved.

A merger with the consideration to be paid by the Company not exceeding 10% of the Company's net assets may not be subject to a resolution of the general meeting unless otherwise provided for in the listing rules of the place where the shares of the Company are listed or in these Articles of Association.

Where the merger of the Company is not subject to a resolution of the general meeting in accordance with the provision of the preceding paragraph, it shall be subject to a resolution of the Board.

In the event of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution and shall publish a notice in the information disclosure newspaper designated by the Company or on the National Enterprise Credit Information Publicity System within 30 days from the date of the merger resolution. Creditors may, within 30 days after receipt of such notice, or within 45 days from the date of the first announcement for those who do not receive notice, demand that the Company settle their debts or provide corresponding securities.

During the merger of the Company, claims and liabilities of the parties to the merger shall be taken over by the company subsisting after the merger or the newly established company.

Where the Company is divided, its assets shall be apportioned accordingly.

In the event of a division of the Company, the participating parties shall prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and shall publish a notice in the information disclosure newspaper designated by the Company or on the National Enterprise Credit Information Publicity System within 30 days from the date of the division resolution.

Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the division, debts incurred by the Company before its division shall be borne jointly and severally by the companies established after the division.

Dissolution and Liquidation

The Company shall be dissolved in any of the following circumstances:

(I) expiry of the operation period as provided in these Articles of Association or the occurrence of other events resulting in dissolution as provided in these Articles of Association;

(II) the general meeting resolves to dissolve the Company;

(III) the Company needs to be dissolved due to merger or division;

(IV) its business license is revoked or it is ordered to close down or to be dissolved according to laws; or

(V) in the event that the Company has encountered serious difficulties in its operation and management and that its continuous existence will cause substantial loss to the interests of the shareholders, and such difficulties cannot be solved by any other means, the shareholders who hold more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

The Company shall, within ten days of the occurrence of the reasons for dissolution as stipulated in the preceding paragraph, disclose the reasons for dissolution on the National Enterprise Credit Information Publicity System.

Where the Company is dissolved pursuant to item (I), (II), (IV) or (V) of Article 192 of these Articles of Association, the Company shall be liquidated. Directors shall be the liquidation obligors, and a liquidation committee shall be formed within 15 days from the occurrence of the events of dissolution to perform liquidation. The liquidation committee shall comprise the directors, unless these Articles of Association provide otherwise or the general meeting resolves to elect other person(s). If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

During the period of liquidation, the liquidation committee shall exercise the following functions and powers:

(I) to check up on the Company's assets and draw up a balance sheet and an inventory of assets separately;

(II) to notify the creditors by notice or announcement;

(III) to dispose of the Company's unfinished business related to liquidation;

(IV) to pay off the tax arrears and the taxes generated in the process of liquidation;

(V) to clear up claims and debts;

(VI) to distribute the assets remaining after the Company pays off its debts; and

(VII) to participate in civil lawsuits on behalf of the Company.

The liquidation committee shall, within ten days from the date it is established, notify the creditors of its establishment and make an announcement in the specified media or on the National Enterprise Credit Information Publicity System within 60 days therefrom.

The creditors shall declare their claims to the liquidation committee within 30 days from the date they receive the written notice, or if they have not received such notice, within 45 days from the date the announcement is made.

When declaring their claims, the creditors shall specify the matters in respect of the claims, and provide supporting materials. The liquidation committee shall register the claims.

During the period when creditors declare their claims, the liquidation committee shall not pay off the debts to them.

After the liquidation committee has checked up on the assets of the Company and drawn up the balance sheet and the inventory of assets, it shall work out a liquidation plan and submit the plan to the general meeting of shareholders or a People's Court for confirmation.

After the Company pays off respectively the liquidation expenses, the wages of its staff and workers, the social insurance premiums and the statutory compensations, pays its tax arrears and clears up its debts, the remaining assets of the Company shall be distributed in proportion to the shares held by its shareholders.

During the period of liquidation, the Company shall continue to exist, but it shall not engage in operational activities not related to liquidation. The assets of the Company shall not be distributed to its shareholders until the payments are made as specified in the preceding paragraph.

If, after checking up on the assets of the Company and drawing up the balance sheet and the inventory of its assets, the liquidation committee discovers that the assets of the Company is insufficient to pay off its debts, it shall apply to a People's Court for declaration of bankruptcy of the Company.

After the bankruptcy application is accepted by the People's Court, the liquidation committee shall transfer all matters arising from the liquidation to the bankruptcy administrator designated by the People's Court.

After the liquidation is finished, the liquidation committee shall prepare a liquidation report, and submit the same to the general meeting of shareholders or the People's Court for confirmation, and to the company registration authority for deregistration of the Company.

Members of the liquidation committee shall perform their liquidation functions with duties of loyalty and care.

Members of the liquidation committee neglecting to perform their liquidation functions, and thereby causing losses to the Company, shall be liable for compensation; members of the liquidation committee who cause loss to the creditors due to intentional misconduct or gross negligence shall be liable for damages.

If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the applicable laws on enterprise bankruptcy.

Amendments to these Articles of Association

The Company will amend these Articles of Association in any of the following circumstances:

(I) where amendments to the Company Law or other relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed result in conflicts with the current provisions of these Articles of Association;

(II) where changes in the Company's circumstances render the provisions of these Articles of Association inconsistent with the actual situation; or

(III) where the general meeting resolves to amend these Articles of Association.

Where the amendments to these Articles of Association passed by a resolution of the general meeting are subject to approval by the competent authority, they shall be submitted for approval accordingly. Where the amendments involve changes to registration particulars, the Company shall apply for a change in registration in accordance with the law.

The Board shall amend these Articles of Association based on the resolutions passed at the general meeting and the approval opinions of the relevant competent authorities.

If the amendments to the Articles of Association involve information that is required to be disclosed under laws, regulations or the securities regulatory rules of the place where the Company's shares are listed, the Company shall disclose such information in accordance with such requirements.

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this Document received from Asia-Pacific Consulting and Appraisal Limited, an independent property valuer, in connection with its valuation as at 31 July 2026 of the selected property interests held by the Group.

CONSULTING & APPRAISAL
亞太評估

Asia-Pacific Consulting and Appraisal Limited
Flat/Rm A, 12/F
Kiu Fu Commercial Building
300 Lockhart Road
Wan Chai
Hong Kong

[[●] 2026]

The Board of Directors
CSG Smart Science & Technology Co., Ltd.
Room 503, Building 1,
No. 777, Sizhuan Road,
Songjiang District,
Shanghai City,
The PRC

Dear Sirs,

INSTRUCTIONS, PURPOSE AND DATE OF VALUATION

In accordance with your instructions to value the selected property interests held by CSG Smart Science & Technology Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") in the People's Republic of China (the "**PRC**"). We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the selected property interests as at 31 July 2026 (the "**Valuation Date**").

The selected property interests form part of the Group's property activities that have a carrying amount of 1% or more of the Group's total assets and therefore the valuation report of these property interests is required to be included in this Document.

BASIS OF VALUATION

Our valuation was carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion".

METHODS OF VALUATION

We have valued properties by the income approach which is by taking into account the net rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the fair values at an appropriate capitalization rate.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the selected property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the selected property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the selected property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

VALUATION STANDARDS

In valuing the selected property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards issued by the International Valuation Standards Council.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

DOCUMENT AND TITLE INVESTIGATION

We have been shown copies of various title documents including Real Estate Title Certificate and other official permits relating to the selected property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the selected property interests in the PRC and any material encumbrance that might be attached to the selected property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisor — Hai Run Law Firm, concerning the validity of the selected property interests in the PRC.

AREA MEASUREMENT AND INSPECTION

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out on 23 December 2025 by Kay Liu, who is a member of Certified Public Valuer and has over 10 years' experience in property valuation in the PRC and Jane Ji who has 5 years' experience in property valuation in the PRC.

CURRENCY

All monetary figures stated in this report are in Renminbi (RMB).

Our valuation summary and certificates are attached below for your attention.

Yours faithfully,
for and on behalf of
Asia-Pacific Consulting and Appraisal Limited

David G. D. Cheng
MRICS
Partner

Note: David G. D. Cheng is a Chartered Surveyor who has 20 years' experience in the valuation of assets in the Greater China Region, the Asia-Pacific region, the United States and Canada.

VALUATION CERTIFICATE

Property interests held for investment by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at Valuation Date
			RMB
CSG Intelligent Industrial Park located at No. 777, Sizhuan Road, Songjiang District, Shanghai City, The PRC	CSG Intelligent Industrial Park is situated to Sizhuan Road, Songjiang District, Shanghai City. The development occupies a parcel of land with a site area of approximately 87,522.80 sq.m and 10 buildings erected thereon with a total gross floor area of approximately 145,972.81 sq.m., which were completed in 2018. The property comprises portion of 10 buildings of CSG Intelligent Industrial Park with a total gross floor area of approximately 87,450.46 sq.m. The land use rights of the property have been granted for a term of 50 years expiring on 9 January 2067 for industrial use.	As at the valuation date, portion of the property with a total gross floor area of approximately 53,859.02 sq.m. have been leased to multiple tenants for office, industrial and apartment purposes, whilst the rest portion of the property was vacant as at the valuation date.	308,782,000

Notes:

1. CSG Smart Robot Technology Co., Ltd. 科大智能機器人技術有限公司 ("**CSG Smart Robot**") is a wholly owned subsidiary of the Company.

2. Pursuant to a Real Estate Title Certificate — Hu (2019) Song Zi Bu Dong Chan Quan Di No. 007232, a parcel of land with a site area of approximately 87,522.80 sq.m have been granted to CSG Smart Robot for a term expiring on 9 January 2067 for industrial use, and 10 buildings with a total gross floor area of approximately 145,972.81 sq.m. are owned by CSG Smart Robot (including the property).

3. Pursuant to various Tenancy Agreements entered into between CSG Smart Robot and various third parties, 45 units of the property with a total gross floor area of approximately 53,859.02 sq.m. are leased to various independent third parties for office and industrial purposes with the expiry dates between 1 January 2024 and 14 May 2036 and the total yearly rent receivable as at 31 July 2026 was approximately RMB20,343,432.49, exclusive of management fees, water and electricity charges.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC Legal Advisor, which contains, inter alia, the following:

   The Company has obtained the ownership certificate of the property, and the use of the property does not contravene the use specified in the ownership certificate.

1. FURTHER INFORMATION ABOUT OUR GROUP

A. Incorporation

Our company was established as a limited company under the PRC Company Law under the name of Shanghai USTC Luneng Integration Technology Co., Ltd.* (上海中科大魯能集成科技有限公司) in the PRC on November 27, 2002. Our Company was converted into a joint stock company under the PRC Company Law on February 9, 2010 and was subsequently renamed as CSG Smart Science & Technology Co., Ltd.* (科大智能科技股份有限公司). Since May 25, 2011, our A Shares have been listed on the Shenzhen Stock Exchange (stock code: 300222.SZ).

The address of our Company's registered office and principal place of business is Room 503, Building 1, No. 777 Sizhuan Road, Songjiang District, Shanghai City, China.

As our Company is incorporated in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in Appendix V to this document. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in Appendix IV to this Document.

We were registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on January 8, 2026. Our principal place of business in Hong Kong is at 31/F., Tower Two Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. Mr. Wong Chun Wing Samuel (黃俊穎), 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 as set out above.

B. Changes in the Share Capital of our Company

Save as disclosed below, there has been no alteration in our share capital within two years immediately preceding the date of this Document.

Pursuant to the resolutions approved at the fourteenth meeting of the 6th session of the Board held on June 29, 2026, a total of 3,940,000 A Shares was issued pursuant to the vesting of the options granted under the 2025 Share Incentive Scheme on July 13, 2026. The registered share capital of our Company was then increased from RMB778,281,234 to RMB782,221,234 and comprised 782,221,234 A Shares. The relevant business registration procedures were completed on September 18, 2026.

Following such share issue, the issued share capital of our Company increased from RMB778,281,234, comprising 778,281,234 A Shares of nominal value of RMB1.00 each, to RMB782,221,234 comprising 782,221,234 A Shares of nominal value of RMB1.00 each.

Pursuant to the resolutions approved at the eighteenth meeting of the fifth session of the Board held on November 18, 2024 and the third extraordinary general meeting of our Company for 2024 held on December 6, 2024, our Company repurchased an aggregate of 1,961,000 A Shares in December 2024 under the share repurchase plan, at an average purchase price of RMB12.24 per A Share, for an aggregate consideration of approximately RMB23,997,562. All the repurchased A Shares thereunder were canceled on January 10, 2025. The relevant business registration procedures were completed on May 20, 2025.

Following such cancelation, the issued share capital of our Company decreased from RMB780,242,234, comprising 780,242,234 A Shares of nominal value of RMB1.00 each, to RMB778,281,234, comprising 778,281,234 A Shares of nominal value of RMB1.00 each.

C. Changes in the Share Capital of our Subsidiaries

The list of our major subsidiaries is set out in the section headed "History, Development and Corporate Structure."

Save as disclosed below, there has been no alteration in the share capital of any of our major subsidiaries within the two years immediately preceding the date of this Document:

Name of Subsidiary	Date of Change(s)	Share Capital before Change	Share Capital after Change
Shanghai Yingtong . .	September 3, 2024	RMB26,571,400	RMB8,571,400
CSG Digital	December 9, 2024	RMB21,000,000	RMB30,000,000

D. Resolutions Passed by our Shareholders' General Meeting in relation to the [REDACTED]

Pursuant to our Shareholders' general meeting held on December 19, 2025, the following resolutions, among other things, were duly passed:

(a) the [**REDACTED**] by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares to be [**REDACTED**] the Stock Exchange;

(b) the number of H Shares to be [**REDACTED**] shall be no more than [**REDACTED**]% of the total [**REDACTED**] share capital of our Company as enlarged by the [**REDACTED**], and the grant to the [**REDACTED**] of the [**REDACTED**] of no more than [**REDACTED**]% of the number of H Shares to be [**REDACTED**] pursuant to the [**REDACTED**];

(c) subject to the completion of the [**REDACTED**], the adoption of the Articles of Association which shall become effective on the [**REDACTED**], and the authorization to our Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(d) authorization of our Board and its authorized person to handle all relevant matters relating to, among other things, the [**REDACTED**] and [**REDACTED**] of the H Shares.

E. Restrictions on Repurchase of Shares

See "Summary of the Articles of Association" in Appendix V to this Document for further details.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that are or may be material:

- An equity transfer agreement dated May 11, 2026, entered into among our Company, Mr. Mao Feng, Mr. Zhou Xiongfei, Mr. Wu Bin and Mr. Ying Hongxi, pursuant to which our Company acquired an aggregate of 70.00% equity interest in Yuanguang Electrical for a total cash consideration of RMB151.2 million.

- [**REDACTED**].

B. Intellectual Property Rights of our Group

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material to our business:

No.	Trademark	Place of registration	Registration No.	Registered Owner	Class	Expiry Date
1 . . .		PRC	33734881	Our Company	35	May 20, 2030
2 . . .		PRC	33730471	Our Company	7	February 27, 2030
3 . . .		PRC	33730487	Our Company	7	June 13, 2029
4 . . .		PRC	26193326A	Our Company	7	November 27, 2028
5 . . .		PRC	17857036	Our Company	7	July 13, 2037
6 . . .		PRC	17857364	Our Company	9	November 20, 2028
7 . . .		PRC	15968132	Our Company	7	February 20, 2036
8 . . .		PRC	52505387	Hefei CSG Robot	7	January 20, 2032
9 . . .		PRC	68881197	CSG Digital	4	September 6, 2033
10 . .		PRC	83869654	Shanghai Yongqian	7	August 27, 2035
11 . .		PRC	66412143	Shenzhen HW Automation	7	May 6, 2033
12 . .		PRC	66399758	Shenzhen HW Automation	7	May 6, 2033
13 . .		PRC	34842527	CSG Zhengxin	9	August 13, 2029
14 . .		PRC	15807214	CSG Zhengxin	9	January 20, 2036

As of the Latest Practicable Date, we had applied for the registration of the following trademarks, which we considered to be material to our business:

No.	Trademark	Place of application	Application No.	Registered Owner	Class	Date of application
1 . . .	CSG	Hong Kong	307113438	Our Company	7; 9; 35; 42	December 2, 2025
2 . . .	CSG 科大智能	Hong Kong	307113447	Our Company	7; 9; 35; 42	December 2, 2025

(b) Registered Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to our business:

No.	Patent	Place of registration	Patent No.	Patentee	Type of Patent	Application Date
1 . . .	Load Frequency Control Method, Device, and Medium for a Low-Voltage Distribution Network Area (用於低壓台區配電網的負荷頻率控制方法、設備及介質)	PRC	CN202311606231.2	Our Company/CSG Smart Electrical/ CSG Zhengxin	Invention	November 28, 2023
2 . . .	Method, Device, and Medium for Transferring Single-Mode Model Data to an Intelligent Electric Meter (單模態模型數據向智能電能表的轉移方法、設備及介質)	PRC	CN202510790573.7	Our Company/CSG Smart Electrical	Invention	June 13, 2025
3 . . .	A Method and Device for Large-Model Cross-End Transfer and Compression Applied to Intelligent Electric Meters (一種應用於智能電能表的大模型跨端轉移壓縮方法及設備)	PRC	CN202510788677.4	Our Company/CSG Smart Electrical	Invention	June 13, 2025
4 . . .	A Method for Single-Phase Ground Fault Detection (一種單相接地故障判定方法)	PRC	CN201410440208.5	CSG Smart Electrical	Invention	September 2, 2014

No.	Patent	Place of registration	Patent No.	Patentee	Type of Patent	Application Date
5 . . .	A Method for Accurately Determining the Ground Fault Moment in a Low-Current Grounding System at the Master Station (一種小電流接地系統主站準確判斷接地故障時刻的方法)	PRC	CN201910652182.3	Our Company/CSG Smart Electrical	Invention	July 18, 2019
6 . . .	A Product Full-Life Cycle Traceability System (一種產品全壽命追溯系統)	PRC	CN201910777160.X	Our Company/CSG Smart Electrical	Invention	August 22, 2019
7 . . .	Data Transmission and Protection System, Method, and Storage Device Applicable to 5G Differential Protection (適用5G差動保護的數據傳輸和保護系統、方法及存儲設備)	PRC	CN202111087647.9	Our Company/CSG Smart Electrical/State Grid Chongqing Electric Power Research Institute (國網重慶市電力公司電力科學研究院)	Invention	September 16, 2021
8 . . .	A Sampling Synchronization Control System and Method for Differential Protection (一種差動保護的採樣同步控制系統及方法)	PRC	CN202110713955.1	Our Company/CSG Smart Electrical	Invention	June 25, 2021
9 . . .	Park Load Forecasting Model Optimization Method, System, Device, and Readable Storage Medium (園區負荷預測模型尋優方法及系統、設備及可讀存儲介質)	PRC	CN202210768355.X	CSG Smart Electrical	Invention	July 1, 2022
10 . . .	A Circuit Breaker Complete Operation Time Automation Testing System and Method (一種斷路器成套動作時間自動化測試系統及方法)	PRC	CN202110944216.3	Our Company/CSG Smart Electrical	Invention	August 17, 2021

No.	Patent	Place of registration	Patent No.	Patentee	Type of Patent	Application Date
11 . . .	Feature Wave Recognition Method and Storage Medium for Distribution Network User Topology Identification (用於配電台區用戶拓撲識別的特徵波識別方法及存儲介質)	PRC	CN202310470283.5	Our Company/CSG Smart Electrical/ CSG Zhengxin	Invention	April 27, 2023
12 . . .	Method and System for AC Quantity Collection and Calibration in a Power Comprehensive Tester (一種電力綜合測試儀交流量採集和校準實現方法及系統)	PRC	CN202011434801.0	Our Company/CSG Smart Electrical	Invention	December 10, 2020
13 . . .	Time Synchronization Method and Device for Electricity Information Collection Terminal (用電信息採集終端時間同步方法及裝置)	PRC	CN202411449600.6	Our Company/CSG Smart Electrical	Invention	October 17, 2024
14 . . .	A Grid-Connected Operation Load Dispatch Method and System for Park (一種園區並網運行負荷調度方法及系統)	PRC	CN202210769857.4	Our Company/CSG Smart Electrical	Invention	July 1, 2022
15 . . .	An Isolation Locking Structure for a Pole-Mounted Circuit Breaker and the Pole-Mounted Circuit Breaker (一種柱上斷路器的隔離閉鎖結構及柱上斷路器)	PRC	CN202411073016.5	Our Company/CSG Smart Electrical	Invention	August 6, 2024
16 . . .	A Dispatching Method for a Photovoltaic Energy Storage System (一種光伏儲能系統的調度方法)	PRC	CN202210938501.9	CSG Digital	Invention	August 5, 2022
17 . . .	An Ordered Charging Management Method and System for Charging Piles (一種充電樁有序充電管理方法及系統)	PRC	CN202110930768.9	CSG Digital	Invention	August 13, 2021
18 . . .	Production Equipment for Photovoltaic and Energy Storage Integrated Machines (光儲一體機生產用設備)	PRC	CN202223479910.1	CSG Digital	Utility model	December 26, 2022

No.	Patent	Place of registration	Patent No.	Patentee	Type of Patent	Application Date
19 . . .	Energy Storage Cabinet (儲能櫃)	PRC	CN202223456588.0	CSG Digital	Utility model	December 23, 2022
20 . . .	A Photovoltaic Power Generation Forecasting Method and System (一種光伏發電功率預測方法及系統)	PRC	CN202210938497.6	CSG Digital	Invention	August 5, 2022
21 . . .	Multidimensional Intelligent Control Transfer Machine (多維度智控移載機)	PRC	CN202021168966.3	Shanghai Yongqian	Utility model	June 22, 2020
22 . . .	A T-Shaped Robot (一種T型機器人)	PRC	CN201610788652.5	Shanghai Yongqian	Invention	August 31, 2016
23 . . .	A Multi-Axis Servo Stepless Variable Pitch Tightening System (一種多軸伺服無級變距擰緊系統)	PRC	CN201910040003.0	Shanghai Yongqian	Invention	January 16, 2019
24 . . .	An Automatic Pressing and Assembling Device for Sunroof Sealing Strips (一種天窗密封條自動壓裝設備)	PRC	CN201711044705.3	Shanghai Yongqian	Invention	October 31, 2017
25 . . .	An Automatic Wire Bundle Stacking Mechanism (一種絲束自動疊裝機構)	PRC	CN201911170718.4	Shanghai Yongqian	Invention	November 26, 2019
26 . . .	A Heavy-Duty Stacker Double-Motor Lifting Mechanism (一種重型堆垛機雙電機提升機構)	PRC	CN201920382351.1	Shenzhen HW Automation	Utility model	March 25, 2019
27 . . .	An Intelligent Warehouse Protection Method for Tilt Angle Detection and Its System (一種傾斜角度檢測的智能倉儲防護方法及其系統)	PRC	CN202011266304.4	Shenzhen HW Automation	Invention	November 13, 2020
28 . . .	An Automated Limiting and Alignment Device on a Steel Belt Conveyor Line (一種鋼帶輸送線上的自動化限位修整設備)	PRC	CN202310514874.8	Shenzhen HW Automation	Invention	May 9, 2023

No.	Patent	Place of registration	Patent No.	Patentee	Type of Patent	Application Date
29 . . .	A Conveyor Device for a Car Aluminum Strip Stacker (一種汽車鋁條堆垛機的輸送裝置)	PRC	CN202310360540.X	Shenzhen HW Automation	Invention	April 6, 2023
30 . . .	A Transport Vehicle for Switching Between Multiple Aisles on a Transfer Stacker and Its Transfer Method (一種轉運堆垛機於多個巷道上切換的運輸車及其轉運方法)	PRC	CN202411530131.0	Shenzhen HW Automation	Invention	October 30, 2024
31 . . .	A four-wheel, eight-drive robot chassis mechanism (一種四輪八驅的機器人底盤機構)	PRC	2017102627590	CSG Smart Electrical/CSG Smart Robot/ Hefei CSG Robot/our Company/	Invention	April 20, 2017
32 . . .	Intelligent operation and maintenance auxiliary decision-making method, device and medium based on large language model (基於大語言模型的智能運維輔助決策方法、設備及介質)	PRC	2025102475499	Hefei CSG Robot/our Company	Invention	December 11, 2024
33 . . .	Abnormality detection method and system based on multi-modal vision large model (基於多模視覺大模型的異常檢測方法及系統)	PRC	2025111441985	Nanjing University of Aeronautics and Astronautics/ Hefei CSG Robot	Invention	May 9, 2025
34 . . .	A method, system and device for dynamic fusion of multimodal perception data of an embodied agent (具身智能體多模態感知數據動態融合方法、系統及設備)	PRC	2025109846502	Hefei CSG Robot/ Hefei University of Technology/ our Company	Invention	July 3, 2025
35 . . .	Embodied robot SLAM method, device and storage medium based on VLA (基於VLA的具身機器人SLAM方法、設備及存儲介質)	PRC	2026101215395	Nanjing University of Aeronautics and Astronautics/ Hefei CSG Robot	Invention	December 25, 2025

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be material to our business:

No.	Name of Copyright	Place of registration	Registration No.	Registration Owner
1 . . .	CSG Smart Photovoltaic Energy Storage and Charging Microgrid Power Load Intelligent Prediction Software (科大智能光儲充微電網用電負荷功率智能預測軟件	PRC	2022SR0706705	Our Company/CSG Smart Electrical
2 . . .	CSG Smart Intelligent Scheduling Software for Charging and Discharging Strategy of Smart Energy Storage System (科大智能智慧儲能系統充放電策略智能調度軟件)	PRC	2022SR0706644	Our Company/CSG Smart Electrical
3 . . .	CSG Smart IoT Electric Meter Performance Testing Software (科大智能物聯電能表性能測試軟件)	PRC	2024SR1128373	Our Company/CSG Smart Electrical
4 . . .	CSG Smart Intelligent Energy Unit MQTT Testing Master Station Software (科大智能智慧能源單元MQTT測試主站測試軟件)	PRC	2024SR1340918	Our Company/CSG Smart Electrical
5 . . .	CSG Smart Intelligent Charging Pile Operation Management Platform (科大智能智慧充電樁運營管理平台)	PRC	2016SR334210	CSG Smart Electrical
6 . . .	CSG Smart KD-100FDG03 Feeder Automation Measurement and Control (FTU) Software (科大智能KD-100FDG03饋線自動化測控(FTU)軟件)	PRC	2014SR029585	CSG Smart Electrical
7 . . .	CSG Smart KD-100FDG02 Substation Measurement and Control (DTU) Software (科大智能KD-100FDG02站所測控(DTU)軟件)	PRC	2014SR029587	CSG Smart Electrical
8 . . .	CSG Smart JYL-KD Transient Waveform Fault Indicator System Software (科大智能JYL-KD暫態錄波型故障指示器系統軟件)	PRC	2017SR602290	CSG Smart Electrical
9 . . .	CSG Smart ZW□-12/630-20 Primary and Secondary Deep Integration Pole-Mounted Circuit Breaker Software (科大智能ZW□-12/630-20一二次深度融合柱上斷路器軟件)	PRC	2022SR1354299	CSG Smart Electrical;

No.	Name of Copyright	Place of registration	Registration No.	Registration Owner
10 . .	CSG Smart Energy Controller (Special Transformer Terminal) Automation Production Testing Software (科大智能能源控制器 (專變終端)自動化生產測試軟件)	PRC	2022SR1495213	CSG Smart Electrical;
11 . .	CSG Smart Concentrator (Type I) Production Automation Testing Software (科大智能集中器(I型)生產自動化測試軟件)	PRC	2022SR1561983	CSG Smart Electrical
12 . .	DTU Automation Control Analysis System (DTU自動化控制分析系統)	PRC	2023SR0014950	CSG Smart Electrical
13 . .	Photovoltaic Energy Storage and Charging Integrated Energy Management Platform (光儲充一體化能量管理平台)	PRC	2024SR1335749	CSG Smart Electrical
14 . .	Smart Microgrid Operation and Maintenance Management Platform (智能微電網運維管理平台)	PRC	2024SR1336141	CSG Smart Electrical
15 . .	CSG Smart Train Intelligent Inspection Robot Tool Software (CSG列車智能巡檢機器人工具軟件)	PRC	2024SR0034729	CSG Smart Electrical/Hefei CSG Robot
16 . .	Integrated Microgrid Energy Management System Platform Software for Photovoltaic Energy Storage and Charging (光儲充用一體化微電網能源管理系統平台軟件)	PRC	2023SR0904809	CSG Digital
17 . .	Virtual Power Plant Operation Management Platform (虛擬電廠運營管理平台)	PRC	2025SR1450025	CSG Digital
18 . .	Load Intelligent Control System (負荷智能控制系統)	PRC	2025SR1450797	CSG Digital
19 . .	EMS (Energy Management System) (EMS能量管理系統)	PRC	2025SR1553311	CSG Digital
20 . .	Grid-Forming Energy Storage Inverter Monitoring and Management Platform (構網型儲能變流器監控管理平台)	PRC	2025SR1761405	CSG Digital
21 . .	CSG Smart Inspection System (CSG智能巡檢系統)	PRC	2020SR0361877	Our Company/Hefei CSG Robot/Mr. Li Lin and others
22 . .	CSG Wheeled Elevating Inspection Robot Backend Software (CSG輪式升降巡檢機器人後台軟件)	PRC	2020SR0106517	Our Company/ Hefei CSG Robot

No.	Name of Copyright	Place of registration	Registration No.	Registration Owner
23 . .	Metro Power Supply Operation and Maintenance Platform (地鐵供電運維平台)	PRC	2021SR0476936	Our Company/ Hefei CSG Robot
24 . .	Multimodal Data Aggregation and Model Service Platform Software (多模態數據聚合與模型服務平台軟件)	PRC	2025SR0310820	Our Company/ Hefei CSG Robot
25 . .	Track Defect Prediction and Auxiliary Decision-Making Platform (軌道缺陷預測及輔助決策平台)	PRC	2025SR0397285	Hefei CSG Robot
26 . .	Yong Qian Robotic Arm Electric Follow Control System (永乾機械手電動隨行控制系統)	PRC	2019SR0780106	Shanghai Yongqian
27 . .	Yong Qian Battery Swap Station Automatic Battery Swap Control System (永乾換電站自動換電控制系統)	PRC	2019SR0780111	Shanghai Yongqian
28 . .	Yong Qian Intelligent Equipment Control Software (永乾智能設備控制軟件)	PRC	2023SR0886241	Shanghai Yongqian
29 . .	Yong Qian Robotic Arm Control Software (永乾機械手控制軟件)	PRC	2023SR1025683	Shanghai Yongqian
30 . .	Yong Qian Robotic Arm Control Software (永乾機械手控制軟件)	PRC	2023SR1161633	Shanghai Yongqian
31 . .	HW Automated Conveyor Line Operation Intelligent Control System (宏偉自動化輸送線運行智能控制系統)	PRC	2019SR0393177	Shenzhen HW Automation
32 . .	HW Stacker Crane Operating Status Online Detection System (宏偉堆垛機運行狀態在線檢測系統)	PRC	2019SR0393199	Shenzhen HW Automation
33 . .	HW Stacker Crane Operating Parameter Configuration Software (宏偉堆垛機運行參數配置軟件)	PRC	2019SR0394761	Shenzhen HW Automation
34 . .	HW Automated Conveyor Line Intelligent Control System (宏偉自動化輸送線智能控制系統)	PRC	2019SR0393161	Shenzhen HW Automation
35 . .	Stocker Gear Motor Calculation and Retrieval System (Stocker減速電機計算檢索系統)	PRC	2025SR1786917	Shenzhen HW Automation

(d) Domain Names

As of the Latest Practicable Date, we had registered the following domain names which we consider to be material to our business:

No.	Owner	Domain Name	Registration Date
1 . . .	Our Company	csg.com.cn	January 10, 2007
2 . . .	CSG Smart Electrical	csgpower.com.cn	April 15, 2016
3 . . .	Shanghai Yongqian	snt.sh.cn	November 4, 2003
4 . . .	CSG Digital	solarcse.com	October 28, 2022
5 . .	Our Company	csgfuture.com	November 21, 2024

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Disclosure of Interests of Directors and the Chief Executive of our Company

Save as disclosed below, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised, that the options granted under the 2025 Share Incentive Scheme are not exercised and that no changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]), so far as our Directors are aware, none of our Directors or chief executive have any interests and/or short positions in our Shares, underlying Shares or debentures 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 our Company and the Hong Kong 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 Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

Interest in the Shares of our Company

Name of Director or Chief Executive	Position	Nature of interest[(1)]	Number and description of Shares	Approximate % of the issued Shares immediately prior to the [REDACTED]	Approximate % of the issued Shares immediately after the [REDACTED][(2)]
Dr. Huang	Executive Director, chairman of our Board	Beneficial owner	170,875,862 A Shares[(3)]	21.84%	[**REDACTED**]%
Ms. Wang Tingting (汪婷婷)	Executive Director and chief executive officer	Beneficial owner	343,105 A Shares	0.04%	[**REDACTED**]%

Notes:

(1) All interests stated are long positions.

(2) Assuming none of the share options granted under the 2025 Share Incentive Scheme is exercised.

(3) As of the Latest Practicable Date, Dr. Huang had pledged 63,650,000 A Shares held by him, accounting for approximately 8.14% of our Company's issued share capital.

Interests in underlying Shares of equity derivatives of our Company

Name of Director or Chief Executive	Position	Nature of interest[1]	Number and description of underlying Shares	Approximate % of the issued Shares immediately prior to the [REDACTED]	Approximate % of the issued Shares immediately after the [REDACTED][2]
Ms. Wang Tingting (汪婷婷)	Executive Director and chief executive officer	Share option	1,040,000 A Shares	/	[**REDACTED**]%
Ms. Ren Xueyan (任雪艷)	Executive Director and vice president	Share option	880,000 A Shares	/	[**REDACTED**]%

Notes:

(1) The share options were granted under the 2025 Share Incentive Scheme. See "— 4. Our Share Incentive Scheme" of this section for details.

(2) Assuming the share options granted under the 2025 Share Incentive Scheme are fully vested.

B. Interests of the Substantial Shareholders in the Shares

Save as disclosed in the section headed "Substantial Shareholder", immediately following the completion of the [**REDACTED**] and without taking into account any Shares which may be [**REDACTED**] pursuant to the exercise of the [**REDACTED**] and assuming no other changes are made to the [**REDACTED**] share capital of our Company between the Latest Practicable Date and the [**REDACTED**], 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 our 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 issued voting shares of our Company.

C. Interests of the Substantial Shareholders in other Members of our Group

So far as the Directors are aware, the following persons (other than our Company and any subsidiaries of our Group) are entitled to exercise, or control the exercise of, 10% or more of voting power at the general meetings of other members of our Group:

Name of subsidiary	Name of shareholder	Percentage of interest in the subsidiary
Hefei CSG Intelligent Robot Technology Co., Ltd.* (合肥科大智能機器人技術有限公司) . . .	Hefei Yuke Technology Partnership (Limited Partnership)* (合肥昱珂科技合夥企業(有限合夥))	24.6%
	Hefei Rail Transit Group Co., Ltd.* (合肥市軌道交通集團有限公司)	18.0%
Shanghai Yingtong (YT) Electric Co., Ltd.* (上海英同電氣有限公司)	Mr. Zhong Junwei (仲雋偉)	23.0%
	Shanghai Yingtong Enterprise Management Consulting Partnership (Limited Partnership)* (上海鷹彤企業管理諮詢合夥企業(有限合夥))	21.0%
Shenzhen HW Automation Equipment Co., Ltd.* (深圳市宏偉自動化設備有限公司).	Shenzhen Dapeng Investment Partnership (Limited Partnership)* (深圳市達鵬投資合夥企業(有限合夥))	25.0%
Zhejiang Jiangshan Yuanguang Electrical Co., Ltd.* (浙江江山源光電氣有限公司)	Mr. Mao Feng (毛鋒)	18.0%

D. Particulars of Service Contracts and Letters of Appointment

Our Company has entered into a service contract or appointment letter with each of our Directors. The principal particulars of these service contracts and appointment letters include (i) a term of three years commencing from the date of appointment and (ii) termination provisions in accordance with their respective terms. The service contracts and appointment letters may be renewed subject to Shareholders' approval and in accordance with our Articles of Association and the applicable Listing Rules.

Save as disclosed above, none of our Directors has entered into any service contracts or appointment letters as a Director with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

E. Remuneration of Directors

Save as disclosed in the section headed "Directors and Senior Management — Remuneration of Directors and Senior Management" and Note 9 to "Appendix I — Accountants' Report" for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, none of our Directors received other remunerations of benefits in kind from us.

F. Disclaimers

Save as disclosed herein:

(a) none of our Directors or chief executive of our Company has any interests or short positions in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have taken 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 in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to our Company and the Stock Exchange, once the Shares are [**REDACTED**] on the Stock Exchange;

(b) so far as is known to any Director or chief executive of our Company, no person has an interest or short position in the Shares and underlying Shares 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 is, 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 general meetings of any other member of our Group;

(c) none of our Directors nor any of the persons listed in "— 5. Other Information — I. Qualification of Experts" below is interested in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the issue 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;

(d) none of our Directors or any of the persons listed in "— 5. Other Information — I. Qualification of Experts" below is materially interested in any contract or arrangement with our Group subsisting at the date of this Document which is unusual in its nature or conditions or which is significant in relation to the business of our Group as a whole;

(e) save in connection with [**REDACTED**] Agreements, none of the persons listed in "— 5. Other Information — I. Qualification of Experts" below has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;

(f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and

(g) none of our Directors or their respective close associates (as defined under the Listing Rules), or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in our Company's five largest customers or five largest suppliers for each year during the Track Record Period.

4. OUR SHARE INCENTIVE SCHEME

A. 2025 Share Incentive Scheme

We adopted the 2025 Share Incentive Scheme by the then Shareholders on July 7, 2025, which was further adjusted by our Board on July 11, 2025 and on June 29, 2026 due to the exclusion of one proposed grantee on a prudent basis following the Company's internal compliance review. As of the Latest Practicable Date, the 2025 Share Incentive Scheme was still in effect. The terms of the 2025 Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as no further Shares will be granted by our Company after our [**REDACTED**]. The major terms are summarized as below:

(a) Purpose

The purpose of the 2025 Share Incentive Scheme is to improve our corporate governance structure, establish and improve our Company's long-term incentive mechanism, attract and retain the directors, senior management, core management and technical/business personnel of our Group, fully mobilize their enthusiasm and creativity to enhance the cohesion of our core team and core competitiveness, so as to realize our development strategies and business objectives.

(b) Administration

The 2025 Share Incentive Scheme is subject to the approval of the Shareholders' general meeting and administration of our Board.

(c) Participants

The participants of the 2025 Share Incentive Scheme include Directors, senior management, core management and technical/business personnel of our Group. The scope of participants excludes independent Directors and Shareholders or actual controller who individually or collectively hold 5% or more of our Shares and their spouse, parents and children.

(d) Source and maximum number of shares

The Shares underlying the 2025 Share Incentive Scheme shall be A Shares issued by our Company to the eligible grantees. The maximum number of options that can be granted under the 2025 Share Incentive Scheme is 21,700,000 A Shares. As of the Latest Practicable Date, all 21,700,000 A Shares were granted (the "**Grant**"), of which 3,940,000 A Shares had been exercised and 17,760,000 A Shares remained unexercised. Each option granted represents the right to purchase one A Share within the exercise period at the exercise price.

(e) Validity period

The validity period of the 2025 Share Incentive Scheme shall be from the date of grant of the options up to the date when all options granted to the eligible grantees are exercised or canceled, provided that the validity period shall not exceed 72 months.

(f) Date of grant

After the 2025 Share Incentive Scheme was approved by the Shareholders' general meeting, the Board shall determine and perform the grant to eligible grantees within 60 days and complete the announcement, registration and other relevant procedures.

(g) Grant conditions

The options under the 2025 Share Incentive Scheme will only be granted to eligible grantees if the following conditions are simultaneously fulfilled:

(a) With respect to our Company, none of the following circumstances having occurred: (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountants' report for the most recent fiscal year; (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control report contained in accountants' report for the most recent fiscal year; (3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its [**REDACTED**]; (4) applicable laws and regulations prohibit the implementation of any share incentive scheme; or (5) any other circumstances determined by the CSRC; and

(b) With respect to an eligible grantee, none of the following circumstances having occurred: (1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months; (2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months; (3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office within the last 12 months; (4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law; (5) the grantee is prohibited from participating in any incentive plan of listed companies according to applicable laws and regulations; or (6) any other circumstances determined by the CSRC.

No grant consideration is paid/payable for the options granted under the 2025 Share Incentive Scheme.

(h) Exercise price

The eligible grantees shall pay the exercise price upon fulfillment of all the conditions of the options to purchase the A Shares from our Company. The exercise price of each option shall not be lower than the nominal value of each A Share and, in principle, shall not be lower than the higher of (1) 50% of the average trading price of the A Shares on the trading date before the announcement of the draft scheme; and (2) 50% of the average trading price of the A Shares during the 60 trading dates before the announcement of the draft scheme.

The exercise price will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares, share consolidation, placing and dividend distribution.

(i) Exercise

The options granted are subject to a waiting period before exercise. The waiting period commences from the date of completion of registration of the options granted to the eligible grantees, and the interval between the date of grant and the date of exercise of the options shall not be less than 12 months.

The exercise schedule of the options under the Grant are as below:

Exercise period	Exercise schedule	Exercise proportion
First period	The first trading date after the 12-month anniversary of the date of grant, till the last trading day up to the 24-month anniversary of the date of grant	20%

Exercise period	Exercise schedule	Exercise proportion
Second period . .	The first trading date after the 24-month anniversary of the date of grant, till the last trading day up to the 36-month anniversary of the date of grant	20%
Third period . . .	The first trading date after the 36-month anniversary of the date of grant, till the last trading day up to the 48-month anniversary of the date of grant	30%
Fourth period . .	The first trading date after the 48-month anniversary of the date of grant, till the last trading day up to the 60-month anniversary of the date of grant	30%

Options under the Grant may be exercised upon fulfilling the conditions same as the grant conditions stipulated above and with reference to the eligible grantees' personal performance and our Company's performance targets in each of the four years ended/ending December 31, 2025, 2026, 2027 and 2028, which are as below:

Vesting period	Assessment year	Performance targets (deploy our Company's revenue for the year ended December 31, 2024 as the baseline)
First period . . .	2025	Revenue growth rate for the year ended December 31, 2025 shall be not less than 10% (target threshold) or not less than 8% (minimum triggering threshold).
Second period .	2026	Revenue growth rate for the year ended December 31, 2026 shall be not less than 26.50% (target threshold) or not less than 20.96% (minimum triggering threshold).
Third period . .	2027	Revenue growth rate for the year ended December 31, 2027 shall be not less than 45.48% (target threshold) or not less than 35.48% (minimum triggering threshold).
Fourth period .	2028	Revenue growth rate for the year ended December 31, 2028 shall be not less than 67.30% (target threshold) or not less than 51.73% (minimum triggering threshold).

The exercise schedule of the options under the Reserved Grant are as below:

Exercise period	Exercise schedule	Exercise proportion
First period	The first trading date after the 12-month anniversary of the date of grant, till the last trading day up to the 24-month anniversary of the date of grant	20%
Second period . .	The first trading date after the 24-month anniversary of the date of grant, till the last trading day up to the 36-month anniversary of the date of grant	30%
Third period . . .	The first trading date after the 36-month anniversary of the date of grant, till the last trading day up to the 48-month anniversary of the date of grant	50%

Options under the Reserved Grant may be exercised upon fulfilling the conditions same as the grant conditions stipulated above and with reference to the eligible grantees' personal performance and our Company's performance targets in each of the three years ending December 31, 2026, 2027 and 2028, which are as below:

Vesting period	Assessment year	Performance targets (deploy our Company's revenue for the year ended December 31, 2024 as the baseline)
First period . . .	2026	Revenue growth rate for the year ended December 31, 2026 shall be not less than 26.50% (target threshold) or not less than 20.96% (minimum triggering threshold).
Second period .	2027	Revenue growth rate for the year ended December 31, 2027 shall be not less than 45.48% (target threshold) or not less than 35.48% (minimum triggering threshold).
Third period . .	2028	Revenue growth rate for the year ended December 31, 2028 shall be not less than 67.30% (target threshold) or not less than 51.73% (minimum triggering threshold).

In the event that the grant conditions do not be fulfilled or our Company's performance does not meet the performance targets, the options which have been granted but not yet exercised shall be canceled by our Company. Upon expiry of the exercise period, options granted but not exercised will cease to be exercisable and shall be canceled by our Company.

(j) Blackout period for our Directors and senior management

If the eligible grantees are our Directors and senior management members, the Shares to be disposed of in each year during their tenure of office shall not exceed 25% of the total Shares of our Company that he or she holds; and no Share held by such Directors or senior management members can be disposed of within six months after termination of his or her employment.

(k) Dividend and voting rights

During the waiting period, the options granted to eligible grantees shall not be transferred, pledged or settled for debt repayment. Upon exercise of the options, the eligible grantees will be entitled to exercise the right of Shareholders, including but not limited to the right to receive dividends and voting rights.

(l) Outstanding share options

As of the Latest Practicable Date, the number of outstanding share options under the 2025 Share Incentive Scheme was 17,760,000, representing approximately [**REDACTED**]% of the [**REDACTED**] shares immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and no changes to our [**REDACTED**] and outstanding Shares between the Latest Practicable Date and the [**REDACTED**]).

Assuming full exercise of all outstanding options granted under the 2025 Share Incentive Scheme, the shareholding of our Shareholders immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and no changes to our [**REDACTED**] and outstanding Shares between the Latest Practicable Date and the [**REDACTED**]) will be [**REDACTED**] by a maximum of approximately [**REDACTED**]%. The [**REDACTED**] on our [**REDACTED**] would be approximately [**REDACTED**]%.

The following table sets forth the outstanding options granted to the eligible grantees under the 2025 Share Incentive Scheme as of the Latest Practicable Date:

Name of grantee	Positions	Address	Date of grant	Shares vested	Number of A Shares underlying the outstanding options	Exercise price	Vesting period	Approximate percentage of issued Shares immediately after completion of the [REDACTED](1)
Directors and senior management of our Company:								
Ms. Wang Tingting (汪婷婷)	Executive Director and chief executive officer	No. 226, Lane 168, Yehuang Road, Qingpu District, Shanghai, PRC	July 11, 2025	260,000	1,040,000	RMB4.91	20% during July 11, 2025 to July 11, 2026; 20% during July 11, 2026 to July 11, 2027; 30% during July 11, 2027 to July 11, 2028; 30% during July 11, 2028 to July 11, 2029	[REDACTED]%
Ms. Ren Xueyan (任雪艷)	Executive Director and vice president	Room 202, No. 129, Lane 55, Yifeng Road, Zhangjiang Town, Pudong New Area, Shanghai, PRC		220,000	880,000			[REDACTED]%
Mr. Mu Junbai (穆峻柏)	Vice president	Room 801, Building 2, No. 128, Hongqiao Road, Xuhui District, Shanghai, PRC		220,000	880,000			[REDACTED]%
Mr. Liu Wei (劉偉)	Vice president	Room 103, Building 5, Jinpeng Lushan Garden, High-Tech Zone, Hefei, Anhui, PRC		220,000	880,000			[REDACTED]%
Mr. Zhang Jiyong (張吉勇)	Vice president	Room 605, Building 5, Dongshan Mingjun, Erma Road, Zhifu District, Yantai, Shandong, PRC		160,000	640,000			[REDACTED]%
Mr. Qin Minghui (秦明輝)	Vice president	Room 1102, Building G7, Boyue Luzhoufu Lanyuan, Dayang Town, Luyang District, Hefei, Anhui, PRC		140,000	560,000			[REDACTED]%
Mr. Huang Junwei (黃君巍)	Chief financial officer and joint company secretary	Room 802, No. 5, Lane 458, Siba Road, Songjiang District, Shanghai, PRC		70,000	280,000			[REDACTED]%
Other connected persons:								
Ms. Cui Li (崔莉)	Supervisor of CSG Smart Electrical	No. 622, Changxing Road, Dongjing Town, Songjiang District, Shanghai, PRC	July 11, 2025	120,000	480,000	RMB4.91	20% during July 11, 2025 to July 11, 2026; 20% during July 11, 2026 to July 11, 2027; 30% during July 11, 2027 to July 11, 2028; 30% during July 11, 2028 to July 11, 2029	[REDACTED]%
Ms. Zhou Menglan (周夢蘭)	Supervisor of CSG Digital	No. 12, Lane 238, Shangtai Road, Qingpu District, Shanghai, PRC		100,000	400,000			[REDACTED]%
Mr. Wang Jialun (王家倫)	Former secretary to our Board	No. 622, Changxing Road, Dongjing Town, Songjiang District, Shanghai, PRC		40,000	160,000			[REDACTED]%

Name of grantee	Positions	Address	Date of grant	Shares vested	Number of A Shares underlying the outstanding options	Exercise price	Vesting period	Approximate percentage of issued Shares immediately after completion of the [REDACTED][(1)]
Other eligible grantees (excluding our connected persons):								
22 eligible grantees who have been granted options to subscribe for 10,000 to 20,000 A Shares			July 11, 2025	32,000	328,000		20% during July 11, 2025 to July 11, 2026; 20% during July 11, 2026 to July 11, 2027; 30% during July 11, 2027 to July 11, 2028; 30% during July 11, 2028 to July 11, 2029	[REDACTED]%
			June 29, 2026				20% during June 29, 2026 to July 29, 2027; 30% during June 29, 2027 to June 29, 2028; 50% during June 29, 2028 to June 29, 2029	
114 eligible grantees who have been granted options to subscribe for 20,001 to 200,000 A Shares .			July 11, 2025	1,530,000	7,670,000	RMB4.91	20% during July 11, 2025 to July 11, 2026; 20% during July 11, 2026 to July 11, 2027; 30% during July 11, 2027 to July 11, 2028; 30% during July 11, 2028 to July 11, 2029	[REDACTED]%
			June 29, 2026				20% during June 29, 2026 to July 29, 2027; 30% during June 29, 2027 to June 29, 2028; 50% during June 29, 2028 to June 29, 2029	
12 eligible grantees who have been granted options to subscribe for 200,001 to 400,000 A Shares . .	Employees[(2)]	–	July 11, 2025	728,000	3,162,000		20% during July 11, 2025 to July 11, 2026; 20% during July 11, 2026 to July 11, 2027; 30% during July 11, 2027 to July 11, 2028; 30% during July 11, 2028 to July 11, 2029	[REDACTED]%
			June 29, 2026				20% during June 29, 2026 to July 29, 2027; 30% during June 29, 2027 to June 29, 2028; 50% during June 29, 2028 to June 29, 2029	
1 eligible grantee who has been granted options to subscribe for 400,001 to 600,000 A Shares . .			July 11, 2025	100,000	400,000		20% during July 11, 2025 to July 11, 2026; 20% during July 11, 2026 to July 11, 2027; 30% during July 11, 2027 to July 11, 2028; 30% during July 11, 2028 to July 11, 2029	[REDACTED]%

Notes:

(1) The calculation is based on the assumption that (i) the [**REDACTED**] is not exercised, (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**] and (iii) the share options granted under the 2025 Share Incentive Scheme are fully vested.

(2) None of the employee grantees have been granted share options in excess of [**REDACTED**]% of the issued Shares of our Company immediately after the [**REDACTED**] on a standalone basis.

5. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

B. Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

C. Joint Sponsors

The Joint Sponsors have made an [**REDACTED**] on behalf of our Company to the Hong Kong Stock Exchange for the [**REDACTED**] of, and [**REDACTED**], our H Shares. All necessary arrangements have been made to enable the [**REDACTED**] to be [**REDACTED**] into [**REDACTED**].

Huatai Financial Holdings (Hong Kong) Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Guoyuan Capital (Hong Kong) Limited, being one of the Joint Sponsors and a subsidiary of Guoyuan Securities Co., Ltd. ("**Guoyuan Securities**"), does not satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules on the ground that (a) Guoyuan Securities, being the parent company of Guoyuan Capital (Hong Kong) Limited and a member of the sponsor group (as defined pursuant to Rule 3A.01(9) of the Listing Rules), has since February 2023 been providing financing to Dr. Huang, our Single Largest Shareholder, executive Director and chairman of our Board, pursuant to which Dr. Huang has pledged certain Shares owned by him in favor of Guoyuan Securities. As of the Latest Practicable Date, Dr. Huang has repaid all outstanding loan owed to Guoyuan Securities, resulting in the full release of the A Shares pledged in favour of Guoyuan Securities on August 25, 2026; and (b) there was other long-term business relationship between Guoyuan Securities and our Group. For further details, please refer to the section headed "[**REDACTED**]." In view of the above, Guoyuan Capital (Hong Kong) Limited does not satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will receive an aggregate fee of [**REDACTED**] for acting as the [**REDACTED**] our Company in connection with the [**REDACTED**].

D. No Material Adverse Change

Save as disclosed in this Document, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since June 30, 2026, being the end of the period reported on in the Accountants' Report in Appendix I to this Document, and up to the date of this Document.

E. Compliance Advisor

Our Company has appointed Guoyuan Capital (Hong Kong) Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

F. Preliminary expenses

As of the Latest Practicable Date, our Company had not incurred any material preliminary expense.

G. Promoters

Information of our promoters as of the time of our Company's conversion into a joint stock limited company on February 9, 2010 is as follows:

No.	Name of promoters of our Company
1 . . .	Anhui Dongcai Investment Management Co., Ltd.* (安徽東財投資管理有限公司)
2 . . .	USTC Asset Management Co., Ltd.* (中科大資產經營有限責任公司)
3 . . .	Huang Mingsong (黃明松)
4 . . .	Yi Bo (易波)
5 . . .	Yang Ruijun (楊銳俊)
6 . . .	Zhu Ning (朱寧)
7 . . .	Tao Weiqing (陶維青)
8 . . .	Zhang Tao (張濤)
9 . . .	Zhu Xuejun (朱學俊)
10 . .	Lu Bing (魯兵)
11 . .	Yao Yao (姚瑤)
12 . .	Ji Hong (姬紅)
13 . .	Zhao Qingzhong (趙慶忠)
14 . .	Zhang Jianping (張建平)
15 . .	Ren Xueyan (任雪艷)
16 . .	Li Lin (李林)
17 . .	Cui Li (崔莉)
18 . .	Zhou Hairong (周海蓉)
19 . .	Sun Jingxu (孫敬旭)
20 . .	Shi Weiyang (施維楊)
21 . .	Li Lin (李林)

No.	Name of promoters of our Company
22 . .	Jin Yefu (金冶夫)
23 . .	Xu Fengxia (徐鳳俠)
24 . .	Li Bin (李斌)
25 . .	Pan Ling (潘玲)
26 . .	Fang Cheng (方成)
27 . .	Hu Hengda (胡恒達)
28 . .	Wang Tingting (汪婷婷)
29 . .	Ge Qinghui (葛慶輝)
30 . .	Zhu Shuyun (朱淑雲)

Within the two years immediately preceding the date of this Document, no cash, securities or other benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any or the promoter named above in connection with the [**REDACTED**] or the related transactions described in this Document.

H. Taxation of Holders of Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the [**REDACTED**] of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is a 0.1% of the consideration or, if higher, the fair value of the H shares being sold or transferred.

I. Qualification of Experts

The following are the qualifications of the experts, as defined under the Listing Rules, who have given opinions or advice which are contained in this Document:

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
Guoyuan Capital (Hong Kong) Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Rongcheng (Hong Kong) CPA Limited	Certified Public Accountants and Registered Public Interest Entity Auditor
Hai Run Law Firm	Legal advisor to our Company as to PRC Law

Name	Qualification
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Asia-Pacific Consulting and Appraisal Limited	Independent property valuer

J. Consents of Experts

Each of the experts as referred to in "— 5. Other Information — I. Qualification of Experts" in this Appendix has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters and/or legal opinion (as the case may be) and references to their names included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of its subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of its subsidiaries.

K. Binding Effect

This Document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

L. Bilingual Document

The English language and Chinese language versions of this Document are being published separately in reliance upon the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This Document is written in the English language and contains a Chinese translation for information purpose only. Should there be any discrepancy between the English language of this Document and the Chinese translation, the English language version of this Document shall prevail.

M. Miscellaneous

Save as otherwise disclosed in this Document:

(a) within the two years preceding the date of this Document, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any shares of our Company;

(b) within the two years preceding the date of this Document, no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;

(g) save for the A Shares of our Company that are listed on the Shenzhen Stock Exchange, and save for the H Shares to be [**REDACTED**] in connection with the [**REDACTED**], none of the equity and debt securities of our Company, if any, is [**REDACTED**] in any other stock exchange nor is any [**REDACTED**] or permission to deal being or proposed to be sought; and

(h) our Company is a joint stock limited company and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in the section headed "Appendix VII — Statutory and General Information — 2. Further Information about our Business — A. Summary of Material Contracts" in this Document; and

(b) the written consents referred to in the section headed "Appendix VII — Statutory and General Information — 5. Other Information — J. Consents of Experts" in this Document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.csg.com.cn** during a period of 14 days from the date of this Document:

(a) the Articles of Association;

(b) the Accountants' Report prepared by Rongcheng (Hong Kong) CPA Limited, the text of which is set forth in Appendix I to this Document;

(c) the audited consolidated financial statements of our Group for the three years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026;

(d) the report prepared by Rongcheng (Hong Kong) CPA Limited on the [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II to this Document;

(e) the legal opinion issued by Hai Run Law Firm, our PRC Legal Advisor as to PRC law, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;

(f) the valuation report relating to certain property interest of our Group prepared by Asia-Pacific Consulting and Appraisal Limited, the text of which is set out in Appendix VI to this Document;

(g) the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview" in this Document;

(h) 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 the section headed "Appendix VII — Statutory and General Information — 2. Further Information about our Business — A Summary of Material Contracts" to this Document;

(j) the written consents referred to in the section headed "Appendix VII — Statutory and General Information — 5. Other Information — J. Consents of Experts" to this Document;

(k) the service contracts and the letters of appointment referred to in the section headed "Appendix VII — Statutory and General Information — 3. Further Information about Our Directors and Substantial Shareholders — D. Particulars of Service Contracts and Letters of Appointment" to this Document; and

(l) the terms of the 2025 Share Incentive Scheme.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of grantees under the 2025 Share Incentive Scheme will be made available for public inspection at our Company's principal place of business in Hong Kong at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this Document.