ESTUN AUTOMATION

南京埃斯頓自動化股份有限公司
ESTUN AUTOMATION CO., LTD

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

Stock Code : 2715

GLOBAL OFFERING

Sole Sponsor, Sponsor-Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

华泰国际
HUATAI INTERNATIONAL

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

广发证券
GF SECURITIES

招银国际
CMB INTERNATIONAL

IMPORTANT: *If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.*

ESTUN
AUTOMATION

ESTUN AUTOMATION CO., LTD
南京埃斯頓自動化股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**96,780,000 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**9,678,000 H Shares (subject to reallocation)**
Number of International Offer Shares	:	**87,102,000 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	:	**HK$17.00 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	:	**RMB1.00 per H Share**
Stock Code	:	**2715**

Sole Sponsor, Sponsor-Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

华泰国际
HUATAI INTERNATIONAL

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广发证券 GF SECURITIES　　招銀国际 CMB INTERNATIONAL

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

交銀國際 BOCOM International

Joint Bookrunners and Joint Lead Managers

ABCI 農銀國際　ICBC 工银国际　中銀國際 BOCI　富途證券 FUTU Securities International　利弗莫尔证券 LIVERMORE HOLDINGS LIMITED　TradeGo Markets　華安證券(香港) HUAAN SECURITIES (HONG KONG)

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Appendix VII — Documents Delivered to the Registrar of Companies in Hong Kong and on Display" in this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between us and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or before Thursday, March 5, 2026 (Hong Kong time) and, in any event, not later than 12:00 noon on Thursday, March 5, 2026 (Hong Kong time). The Offer Price will be not more than HK$17.00 per Offer Share and is currently expected to be not less than HK$15.36 per Offer Share, unless otherwise announced. If, for any reason, the Offer Price is not agreed between us and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) by 12:00 noon on Thursday, March 5, 2026 (Hong Kong time), the Global Offering will not proceed and will lapse.

Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK$17.00 for each Hong Kong Offer Share together with brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%.

The Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) may, where considered appropriate and with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Hong Kong Offer Shares and/or the indicative Offer Price range will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and on the website of our Company at **www.estun.com** as soon as practicable but in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. See sections headed "Structure and Conditions of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in this prospectus for more details.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) if certain grounds for termination arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in "Underwriting" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in "Risk Factors."

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering. This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.estun.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

February 27, 2026

IMPORTANT NOTICE TO INVESTORS:

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at www.estun.com. You may download and print from these website addresses if you want a printed copy of this prospectus.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses stated above.

Please refer to the section headed "How to Apply for the Hong Kong Offer Shares" in this prospectus for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 200 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application
	HK$		*HK$*		*HK$*		*HK$*
200	3,434.29	3,000	51,514.34	40,000	686,857.80	500,000	8,585,722.50
400	6,868.57	4,000	68,685.78	50,000	858,572.26	600,000	10,302,867.00
600	10,302.88	5,000	85,857.23	60,000	1,030,286.70	700,000	12,020,011.50
800	13,737.16	6,000	103,028.66	70,000	1,202,001.16	800,000	13,737,156.00
1,000	17,171.45	7,000	120,200.11	80,000	1,373,715.60	900,000	15,454,300.50
1,200	20,605.73	8,000	137,371.55	90,000	1,545,430.06	1,000,000	17,171,445.00
1,400	24,040.02	9,000	154,543.00	100,000	1,717,144.50	1,500,000	25,757,167.50
1,600	27,474.31	10,000	171,714.46	200,000	3,434,289.00	2,000,000	34,342,890.00
1,800	30,908.61	20,000	343,428.90	300,000	5,151,433.50	3,000,000	51,514,335.00
2,000	34,342.89	30,000	515,143.36	400,000	6,868,578.00	4,839,000(1)	83,092,622.35

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

If there is any change to the expected timetable of the Hong Kong Public Offering, we will issue an announcement on the respective websites of the Company at www.estun.com and the Stock Exchange at www.hkexnews.hk.

The Hong Kong Public Offering commences . . . . .9:00 a.m. on Friday, February 27, 2026

Latest time to complete electronic applications under **White Form eIPO** service through the designated website at **www.eipo.com.hk**[2] . . . . .11:30 a.m. on Wednesday, March 4, 2026

Application lists for the Hong Kong Public Offering open[3] . . . . .11:45 a.m. on Wednesday, March 4, 2026

Latest time to (a) complete payment for **White Form eIPO** applications by effecting Internet banking transfer(s) or PPS payment transfer(s) and (b) give **electronic application instructions to HKSCC**[4] . . . . .12:00 noon on Wednesday, March 4, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to submit **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction to apply for the Hong Kong Offer Shares, you are advised to contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

Application lists for the Hong Kong Public Offering close[3] . . . . .12:00 noon on Wednesday, March 4, 2026

Expected Price Determination Date[5] . . . . on or before 12:00 noon Thursday, March 5, 2026

Announcement of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published on the website of the Stock Exchange at **www.hkexnews.hk** and the website of the Company at **www.estun.com**[6] at or before[7] . . . . .11:00 a.m. on Friday, March 6, 2026

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be published on our website at **www.estun.com** and the website of the Stock Exchange at **www.hkexnews.hk** .... no later than 11:00 p.m. on Friday, March 6, 2026

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function .... from 11:00 p.m. on Friday, March 6, 2026 to 12:00 midnight on Thursday, March 12, 2026

- from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on .... Monday, March 9, 2026 to Thursday, March 12, 2026

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[8] .... Friday, March 6, 2026

White Form e-Refund payment instructions/refund cheques in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application (if applicable) or wholly or partially unsuccessful applications to be dispatched/collected on or before[9] .... Monday, March 9, 2026

Dealings in the H Shares on the Stock Exchange expected to commence at .... 9:00 a.m. on Monday, March 9, 2026

Notes:

(1) All times and dates refer to Hong Kong local times and dates unless otherwise stated.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website at or prior to 11:30 a.m., you will be permitted to continue the application process by completing payment of application monies until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a "black" rainstorm warning signal, a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, March 4, 2026, the application lists will not open or close on that day. For further information, please refer to the section headed "How to Apply for the Hong Kong Offer Shares — E. Bad Weather Arrangements" in this prospectus.

(4) If you instruct your **broker or custodian** who is a HKSCC Participant to give **electronic application instructions** to apply for the Hong Kong Offer Shares on your behalf, you should contact your **broker or custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

(5) The Price Determination Date is expected to be on or before Thursday, March 5, 2026. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company on or before 12:00 noon on Thursday, March 5, 2026, the Global Offering will not proceed and will lapse.

(6) No temporary documents of title will be issued in respect of the Offer Shares. H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be on or around Monday, March 9, 2026, provided that the Global Offering becomes unconditional in all respects on or before then. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid do so entirely at their own risks.

(7) None of the websites or any of the information contained on the websites forms part of this prospectus.

(8) **White Form** e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications and in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering if the final Offer Price is less than the maximum Offer Price payable per Offer Share on application. Part of the applicant's identification document numbers, or, if the application is made by joint applicants, part of the identification document numbers of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document numbers before encashment of the refund cheques. Inaccurate completion of an applicant's identification document numbers may invalidate or delay encashment of the refund cheques.

(9) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to the section headed "How to Apply for the Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" for details.

Applicants who apply for the Hong Kong Offer Shares by giving electronic application instructions to HKSCC via HKSCC's FINI system should refer to "How to Apply for the Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels" for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) despatched to the bank account in the form of **White Form** e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund cheques by ordinary post at their own risk.

Further information is set out in the section headed "How to Apply for the Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies."

The above expected timetable is a summary only. You should see "Structure and Conditions of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" for details of the structure of the Global Offering, including the conditions of the Global Offering, and the procedures for application for the Hong Kong Offer Shares.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, our Company will make an announcement as soon as practicable thereafter.

IMPORTANT NOTICE TO INVESTORS

We have issued this prospectus solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares, and it does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. We have taken no action to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong, and we have taken no action to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should only rely on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Capital Market Intermediaries, any of the Underwriters, any of our or their respective directors, advisors, officers, employees, agents or representatives, or any other person or party involved in the Global Offering.

CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire prospectus including the financial statements and accompanying notes, before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully in full before you decide to invest in the Offer Shares.

OVERVIEW

Who We Are

We are a leading industrial robotics company in China. We had ranked first among domestic manufacturers in China's industrial robotic solutions market for years, in terms of industrial robot shipment volume, according to Frost & Sullivan. According to the same source, we achieved a historic breakthrough in the first half of 2025, with the shipment volume of industrial robots surpassing foreign brands within the domestic market, making us the first domestic manufacturer to rank at the top of the industrial robotic solutions market in China. We are also among the top industrial robotics companies in terms of revenue, ranking sixth in both the global market and China's market in terms of revenue in 2024 among all manufacturers, with a market share of 1.7% and 2.0%, respectively.

We offer (i) industrial robots and intelligent manufacturing systems and (ii) core automation components and motion control systems, primarily to customers engaging in various manufacturing sectors, such as automotive, construction machinery and heavy industry, and lithium battery.

Our industrial robots and intelligent manufacturing systems provide automation solutions that significantly enhance productivity, safety, and reliability in industrial settings. Our industrial robot portfolio spans both general-purpose and application-specific models, capable of independently executing repetitive, physically demanding, or hazardous tasks with high precision. Building on this foundation, we also offer industrial robot workstations, which are production units centered around robots and equipped with controllers and other auxiliary devices to efficiently perform specific manufacturing steps such as welding, machining, or assembly. Beyond standalone robots and workstations, our intelligent manufacturing systems integrate our proprietary robots and core components with peripheral and auxiliary equipment into turnkey production lines. These systems link multiple processes, ranging from machining and assembly to testing and packaging, into workflows that minimize human intervention and enable large-scale, continuous output from raw materials to finished products.

Our core automation components and motion control systems form the backbone of intelligent manufacturing, covering motion control systems, servo systems, and motion control solutions. Motion control systems act as the "brain and nerves" of industrial equipment, enabling precise coordination of complex movements across industries such as electronics, semiconductors, and packaging. Servo systems serve as the "muscles" of machinery, ensuring fast, accurate, and stable motion in applications ranging from precision machining to automotive and metal fabrication. Our motion control solutions integrate our motion control systems, servo systems, electro-hydraulic systems, and industry-specific software into a complete package tailored to particular industries, equipment, and application scenarios.

Below are our achievements over the years:

LEADING POSITION

No. 1 Nationally
for years among domestic manufacturers in terms of shipment volume of industrial robots[1]

No. 1 Nationally
in the first half of 2025 among both domestic and foreign manufacturers in terms of shipment volume of industrial robots[1]

No. 1 Globally
in 2024 in terms of the shipment volume of robots for sheet metal bending[1]

GLOBAL PRESENCE

75
service sites globally[2]

Seven
manufacturing bases globally[3]

approximately 30%
revenue contributed by non-domestic market throughout the Track Record Period[4]

OUR PRODUCTS

First-of-its-Kind
700kg ultra-heavy-duty industrial robot[5]

Champion Enterprise in a Niche Manufacturing Sector
industrial robot for photovoltaic stringing[5]

First Chinese Robotics Manufacturer
cETLus Certification and TÜV Rheinland CE Functional Safety Certificate[6]

OUR R&D

9%+
R&D expenditure as a percentage of our total revenue[7]

1,029
R&D personnel[8]

Four MIIT projects

Three MOST projects

One NDRC projects[9]

Notes:

(1) Source: Frost & Sullivan.

(2) As of September 30, 2025. See "Business — Our Customers — Our Customer Service and Product Returns" for details.

(3) As of September 30, 2025. See "Business – Manufacturing – Manufacturing Facilities" for details.

(4) Revenue contributed by overseas markets amounted to RMB1,312.2 million, RMB1,594.4 million, RMB1,369.6 million, RMB1,139.3 million and RMB1,117.7 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively, accounting for 33.8%, 34.3%, 34.2%, 33.8% and 29.4% of our total revenue for the same periods. For the purposes of this prospectus only, overseas markets include regions other than the Chinese Mainland.

(5) Our 700kg ultra-heavy-duty industrial robot is included in the *Catalog of Nationally Recognized First-of-its-Kind Innovative Products* (首台(套)重大技術裝備推廣應用指導目錄(2024年版)) while our industrial robot for photovoltaic stringing has earned us the recognition of *Champion Enterprise in a Niche Manufacturing Sector* (製造業單項冠軍企業). Both recognitions were awarded by the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (the "**MIIT**").

(6) The cETLus certification indicates compliance with U.S. and Canadian electrical safety standards, while the TÜV Rheinland CE Functional Safety Certificate demonstrates conformity with international functional safety standards under the CE framework. We received both certifications in 2024.

(7) Our research and development expenditure (including our research and development expenses and investment in R&D activities which was capitalized) amounted to RMB401.6 million, RMB504.1 million, RMB502.9 million, RMB349.6 million and RMB354.2 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively, accounting for 10.3%, 10.8%, 12.5%, 10.4% and 9.3% of the total revenue for the same periods, respectively.

(8) We had 1,029 R&D personnel as of September 30, 2025.

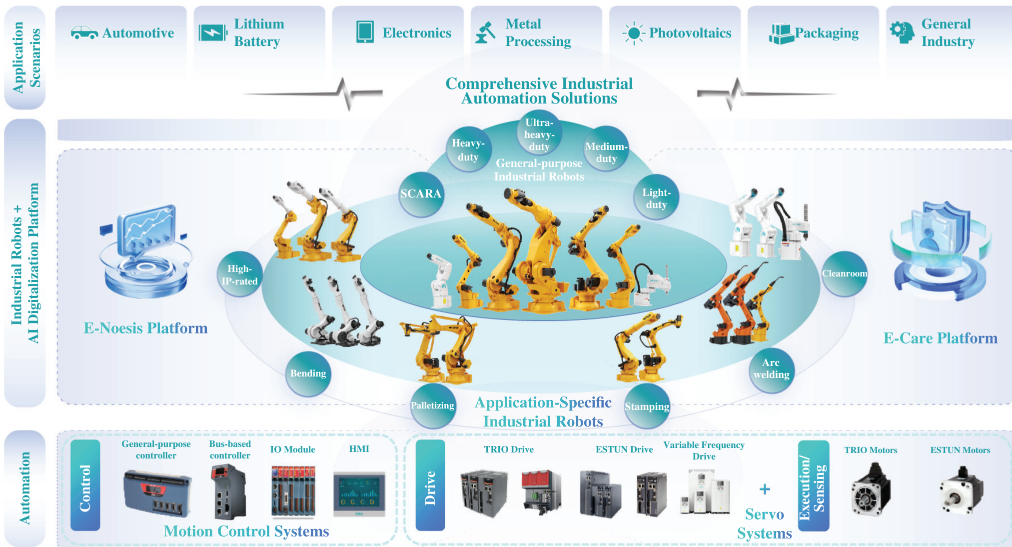
(9) During the Track Record Period, we led or participated in four projects supervised by the MIIT, three projects supervised by the (Ministry of Science and Technology of the PRC (中華人民共和國科學技術部) and one project supervised by the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會).

OUR BUSINESS MILESTONES

Our leading market positions are echoed by the following milestones:

- Our history can be traced back to 1993.
- In 2001, we launched our first servo drive system, a device that receives motion commands from the controller and regulates the power supplied to the servo motor, enabling precise control of motion and output, laying the foundation for indigenous motion-control technology.
- In 2010, we introduced our first industrial robot model.
- In 2015, our Shares became listed on the Shenzhen Stock Exchange (Stock Code: 002747.SZ).
- In 2017, we expanded into the high-end motion control industry with the acquisition of Trio, a manufacturer based in the U.K specializing in motion controllers.
- In 2018, we commenced operations of our Nanjing robotic industrial park, featuring China's first intelligent production line where robots build robots.
- In 2020, we expanded into the global premium arc welding sector with the acquisition of Cloos, a Germany-based company specializing in welding robotics with an established international presence.
- In 2021, our shipment volume of industrial robots exceeded 10,000 units for the first time.
- In 2024, we had ranked first among domestic manufacturers in China's industrial robotic solutions market for years, in terms of industrial robot shipment volume, according to Frost & Sullivan.
- In 2025, we completed the construction of our manufacturing base in Poland, marking a significant milestone in our effort to achieve global leadership in the industrial robotic solutions market.

OUR PRODUCTS



We mainly engage in the R&D, manufacturing and sales of industrial robots, intelligent manufacturing systems and industrial robot workstations, along with core automation components, motion control systems and motion control solutions. Our offerings span from core automation components and motion control systems to complete robotic units and turnkey production lines. This vertically integrated model ensures coordination across the value chain, enhances product reliability and accelerates innovation cycles. Supported by our R&D capabilities and ongoing investment in proprietary technologies, we are positioned to contribute to the advancement of intelligent manufacturing and to provide automation solutions that adapt to our customers' needs.

The following table sets forth a breakdown of our revenue by business line for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Industrial robots and intelligent manufacturing systems	**2,838,648**	**73.1**	**3,594,821**	**77.3**	**3,029,103**	**75.6**	**2,600,585**	**77.2**	**3,138,297**	**82.5**
– Industrial robots	924,589	23.8	1,446,121	31.1	1,232,580	30.7	1,049,293	31.1	1,397,913	36.7
– Intelligent manufacturing systems	582,627	15.0	610,469	13.1	747,022	18.7	697,331	20.7	927,016	24.4
– Industrial robot workstations	1,331,432	34.3	1,538,231	33.1	1,049,501	26.2	853,961	25.4	813,368	21.4

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Core automation components and motion control systems	**1,025,480**	**26.4**	**1,040,015**	**22.3**	**976,276**	**24.3**	**767,066**	**22.7**	**622,495**	**17.4**
– Motion control systems	117,808	3.0	137,676	3.0	100,342	2.5	78,802	2.3	78,455	2.1
– Servo systems	314,579	8.1	267,512	5.8	241,241	6.0	186,297	5.5	137,330	3.6
– Motion control solutions	593,093	15.3	634,827	13.5	634,693	15.8	501,967	14.9	446,710	11.7
Rentals	**16,651**	**0.5**	**17,113**	**0.4**	**3,393**	**0.1**	**2,623**	**0.1**	**2,778**	**0.1**
Total	**3,880,779**	**100.0**	**4,651,949**	**100.0**	**4,008,772**	**100.0**	**3,370,274**	**100.0**	**3,803,570**	**100.0**

Brand Portfolio

To support our international growth and meet the diverse needs of customers across industries and regions, we have adopted a multi-brand strategy that leverages the strengths and market positioning of each brand in our portfolio. This approach not only allows us to offer highly specialized solutions but also enhances our ability to compete in a dynamic international landscape: (i) ***"Estun".*** We have been operating under the "Estun" brand since our establishment and continuously strengthened its visibility and recognition in the industrial robotic solutions market. "Estun" serves as the cornerstone of our business, offering a broad lineup of robot models and selected core automation components and motion control systems; (ii) ***"Cloos".*** Acquired in 2020, "Cloos" significantly expands our capabilities in the industrial welding sector, in particular, the technologies supporting medium-plate and thick-plate welding process. Leveraging the brand's established market presence, we continue to strengthen our position in the welding automation market by delivering advanced robotic systems and turnkey welding solutions; (iii) ***"Trio".*** Acquired in 2017, "Trio" is a brand with established international presence in motion control. By combining Trio's advanced motion controllers with our servo drive technologies, we have evolved from a core component manufacturer into a provider of integrated motion control solutions. This enables us to deliver more complex and high-value solutions tailored to top-tier customers across various industries; and (iv) ***"M.A.i".*** Acquired in 2017, "M.A.i" focuses on intelligent manufacturing systems and strengthens our presence in smart manufacturing. It incorporates technologies aligned with Germany's Industry 4.0 standards, an initiative that promotes the digital transformation of manufacturing through cyber-physical systems, real-time data and smart automation.

Industrial Robots and Intelligent Manufacturing Systems

Industrial Robots

Industrial robots are programmable machines with multiple axes or degrees of freedom, capable of independently performing repetitive, physically demanding, or hazardous tasks, effectively replacing manual labor in industrial settings. Our industrial robot product matrix has evolved into a full-fledged portfolio, structured around two major categories, including general-purpose models and application-specific models.

The following table summarizes the industrial robots we currently offer:

	Product line	Payload	Number of models we offer	Major Downstream Applications
General-purpose industrial robots . .	The SCARA Series[(1)]	3kg-50kg	12	Electronics, automotive, lithium battery
	Light-duty robots	4kg-35kg	16	Electronics, automotive, metal processing, photovoltaic
	Medium-duty robots	35kg-100kg	5	Automotive, metal processing, photovoltaic
	Heavy-duty robots	100kg-280kg	9	Automotive, lithium battery, metal processing, construction materials
	Ultra-heavy-duty robots	280kg-1,000kg	8	Automotive, lithium battery, metal processing
Subtotal			**50**	
Application-specific industrial robots . .	Arc welding robots	4kg-15kg	21	Automotive (including electric vehicle), steel structure, shipping building
	High-IP-rated robots[(2)]	30kg-170kg	9	Die casting, refractory materials, grinding, metallurgy
	Cleanroom robots	7kg-10kg	6	Semiconductors, food processing, pharmaceuticals, flat panel glass, precision electronics
	Palletizing robots	60kg-500kg	5	Packaging and logistics, chemical industry, food and beverage industry

	Product line	Payload	Number of models we offer	Major Downstream Applications
	Bending robots	45kg-130kg	3	Sheet metal
	Stamping robots	15kg-150kg	2	Automotive, metal processing
Subtotal			**46**	
Total.			**96**	

Notes:

(1) Representing selective compliance assembly robot arm (SCARA), a four-axis robot product line known for high-speed, horizontal motion in pick-and-place and soldering applications.

(2) Representing robots featuring enhanced protection against dust and water, allowing them to operate reliably in demanding industrial conditions.

General-Purpose Industrial Robots

Our general-purpose industrial robots include 12 four-axis models under the SCARA Series, and 38 six-axis models. The *SCARA* Series is designed to provide stable performance for smoother motion control and consistent speed, achieving a standard cycle time of 0.38 seconds to 0.43 seconds. With high-precision repeat positioning accuracy, they ensure consistently accurate operations. Our six-axis general-purpose industrial robots are structured in tiers based on payload, offering broad applicability across diverse industry verticals. We possess technological advantages in the field of heavy-duty and ultra-heavy-duty industrial robots, with expertise in structural design, precision motion control, and system stability under extreme operating conditions.

Application-specific Industrial Robots

Our portfolio of application-specific industrial robots consists of 46 models tailored to meet specialized industry demands. Designed with four-axis or six-axis configurations and payloads of 4kg-500kg, these robots are built to perform consistently across a variety of industrial scenarios where standard automation solutions may fall short.

Process-Specific Software Packages

Our process-specific software packages are specialized application software that enable robots to perform specific industrial tasks, such as arc welding, spot welding, palletizing and bending, with high precision and efficiency. They include pre-programmed logic, sensor integration, quality control routines and task-specific operator interfaces that directly enhance a robot's ability to execute complex operations in real-world production environments.

Intelligent Manufacturing Systems

Our intelligent manufacturing systems combine our proprietary industrial robots and core components into turnkey product lines to complete specific tasks with minimal human intervention. These systems are adaptable across a wide range of industries, including new energy, automotive, die casting and electrical systems. Whether for battery module and pack assembly, aluminum part casting, or electronic component integration, our manufacturing systems can be customized to meet diverse process requirements and production goals.

Our intelligent manufacturing systems offer three core advantages: (i) synchronized control featuring high-speed and high-precision; (ii) functionalities supported by the integration of multiple technologies; and (iii) cost and efficiency optimization.

Industrial Robot Workstations

Our industrial robot workstations typically consist of one or more robots, a worktable, a control system, and peripheral supporting equipment. They are execution units responsible for carrying out a specific step in the manufacturing process. Our industrial robot workstations focus on the execution of a specific operation, and are widely used in applications such as welding, palletizing, grinding and polishing.

Core Automation Components and Motion Control Systems

Our core automation components and motion control systems deliver the foundational technologies powering intelligent manufacturing. It centers around three major product lines: (i) motion control systems, (ii) servo systems, and (iii) motion control solutions. We also manufacture drive-control systems for our own industrial robots. These offerings enable high-precision, high-speed and adaptable industrial automation across various application scenarios.

For details, see "Business — Our Products."

COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors:

- A leading industrial robotics company in China with a strong presence in global niche markets;
- Establishing a multi-tiered R&D system to drive innovation and deep industry integration through independent forward engineering;
- Accelerating global expansion to build sustainable international competitiveness;

- Full industry chain capabilities covering "core components + fully assembled robot + solutions" to meet one-stop service needs;

- "Vertical + horizontal" robotics-based solutions empowering all industries: collaborating with China's emerging industry leaders to usher in the era of extreme manufacturing;

- Harnessing data and application advantages to accelerate the adoption of robotics-based AI across industrial scenarios; and

- An experienced management team with global perspective.

For details, see "Business — Competitive Strengths."

OUR STRATEGIES

With the goal of building a world-renowned brand for Chinese robotics, we are committed to developing a deeply integrated global network that spans R&D, manufacturing, delivery, and service. By advancing the integration of robotics and AI technologies, we aim to expand the application scope of industrial robots and unlock new market opportunities. Leveraging our full value chain advantages in the industrial robotics sector, we plan to build factories centered around robotics and develop open platforms to foster a collaborative and innovative robotics ecosystem:

- From China to the world: building a global brand for Chinese robotics;

- Unlocking growth opportunities through integration between robotics and AI technologies and business model innovation, and accelerating the deployment of embodied Intelligence in industrial scenarios;

- Expanding intelligent factory solutions for discrete manufacturing through robotic automation and industrial control software; and

- Building an open platform and a collaborative robotics ecosystem.

For details, see "Business — Our Strategies."

CORE TECHNOLOGIES

We constantly redefine intelligent manufacturing by combining robot hardware with a comprehensive digital ecosystem. Our expertise ranges from mechanical designs engineered for optimal payload and precision to software solutions that enable remote monitoring, predictive maintenance, and real-time process tuning. Leveraging an in-house control architecture alongside a scalable IIoT framework, we guarantee each robot delivers stable and reliable performance while equipping customers with actionable data insights.

Our General-Purpose Motion Control Technology

Advanced Servo Systems

We are committed to independently developing advanced servo systems, with full-stack capabilities across the design and manufacturing of core components, including encoders, servo motors, and servo drives. Our servo motors adopt a multi-objective design approach that emphasizes on reliability, high power density, high overload capacity, low torque ripple, which ensures smooth and stable torque output for precise motion control, and energy efficiency.

General-Purpose Motion Controller Technology

Our general-purpose motion controllers benefit from advancements in computer hardware and system technologies, as well as strong support from a mature domestic software and hardware supply chain.

Our Robotic Technologies

Heavy-Duty Robot Dual-Drive Technology

We pioneered a "dual-motor & dual-reducer" architecture, replacing a single imported high-power reducer with two synchronized mid-power domestic reducers. Instead of relying on a single high-performance reducer, our innovative parallel-drive design uses two synchronized drives to achieve a 1,000kg payload through precise torque distribution and motion coordination. By adopting such an architecture, we can significantly reduce reliance on importing high-power reducers from overseas suppliers, which are often associated with high costs, extended lead times and uncertainties arising from evolving geopolitical dynamics.

Robot Functional Safety Technology

Navigating the complex landscape of international safety regulations, we became the first Chinese robotics manufacturer to achieve TÜV Rheinland certification under ISO 10218, as confirmed by Frost & Sullivan. Our system architecture meets the most demanding criteria, executing emergency stops and limiting motion-path deviations, ensuring that every unit complies with the strictest global benchmarks.

Core Robot Controller Technology

In the "brain" of the robot, our "next-generation" controller achieves a level of performance comparable to foreign brand systems in both dynamic precision and collaborative efficiency. Built on an industrial high-level language, and an open and modular architecture, it integrates refined dynamics algorithms, vibration suppression, and flexible model calibration to boost cycle speed and positioning accuracy.

Our Digital Platform Technologies

To break through the efficiency bottlenecks of traditional industrial maintenance and unlock the full value of equipment data, we have built a dual-track service model centered on our E-Noesis and E-Care platforms. E-Noesis platform is our digital cloud platform. As our intelligence hub, E-Noesis platform harnesses big data and digital-twin technology to manage robots throughout their lifecycle. By unifying operational metrics, process parameters and digital information, it dissolves shop-floor data silos. E-Care platform is our remote maintenance platform that combines IoT connectivity and cloud computing to deliver end-to-end remote support across a machine's entire lifecycle.

Our AI Technologies

Our Architecture for Robotics-based AI

We have developed a flexible control system that allows our robots to work with AI. It can run on local computers, near the machines for fast response, or in the cloud for large-scale AI training. Using a virtual controller engine, engineers can simulate and fine-tune robot actions digitally before applying them in the real world, which reduces costly trial-and-error and speeds up deployment.

AI Combined with Robotics

By embedding machine vision, multi-modal sensing, voice recognition, and reinforcement learning, our robots can perceive environments, adapt in real time, and improve continuously. This makes them more intelligent, easier to operate, and capable of handling complex, variable tasks.

Expanding Industrial Applications

Leveraging our large installed base and industrial knowledge graph, we provide teaching-free, vision-based systems and no-code programming tools that lower adoption barriers. These innovations expand automation into industries previously difficult to serve, driving the transition to intelligent manufacturing.

For details, see "Business — Core Technologies."

MANUFACTURING

We have established a robust and scalable production system designed to ensure full control over key components and maintain operational independence. By integrating advanced supply chain management practices across quality, delivery, cost and logistics, we consistently deliver high-quality products with speed and cost-efficiency. Depending on product delivery requirements, we adopt a hybrid production strategy combining make-to-order and make-to-stock models to ensure timely fulfillment and operational flexibility.

For details, see "Business — Manufacturing."

OUR SUPPLIERS

We source key components and equipment critical to our production. Our procurement primarily includes electronic control systems, reducers, motors and other electronic devices.

For the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, the aggregate purchases from our top five suppliers in each period during the Track Record Period amounted to RMB385.9 million, RMB554.5 million, RMB516.2 million and RMB343.9 million, which accounted for 15.0%, 19.2%, 18.3% and 19.0% of our total purchases, respectively. For the same periods, purchases from our largest supplier in each period during the Track Record Period amounted to RMB119.2 million, RMB160.0 million, RMB198.5 million and RMB156.7 million, which accounted for 4.6%, 5.5%, 7.0% and 8.6% of our total purchases, respectively. For details, see "Business — Our Suppliers."

OUR CUSTOMERS

Our customers mainly comprise (i) customers from our direct sales channel, including manufacturers in automotive, photovoltaic, lithium battery, electronics, metal processing and construction materials, and (ii) our distributors.

For the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, the aggregate revenue generated from our five largest customers in each period during the Track Record Period amounted to RMB637.1 million, RMB915.3 million, RMB1,006.8 million and RMB1,413.8 million, respectively, which accounted for 16.4%, 19.7%, 25.1% and 37.2% of our total revenue, respectively. For the same periods, revenue from the largest customer amounted to RMB213.8 million, RMB376.1 million, RMB376.6 million and RMB685.0 million, respectively, which accounted for 5.5%, 8.1%, 9.4% and 18.0% of our total revenue, respectively.

SALES AND MARKETING

As of September 30, 2025, our global sales force stands at 763 professionals, strategically deployed across both domestic and international markets. This team drives our revenue engine through a balanced and proactive strategy.

We employ a dual-track sales strategy combining direct sales and a distribution network. Our direct sales team, working closely with our technical and process engineering departments, spearheads customer engagement for complex needs. We collaborate deeply with the client, leveraging our portfolio of modular products to craft tailored and systematic solutions. Once our technical solution gains approval, our sales team delivers a competitive commercial offer backed by robust cost control, securing the order and initiating project execution.

We cooperate with distributors to enhance our market reach and operational efficiency. By partnering with distributors, we are able to leverage their deep knowledge of local markets, established customer networks and sales expertise, factors that are critical for achieving broader geographical penetration. This strategy allows us to scale effectively without bearing the substantial costs typically associated with building and managing a large direct sales force. According to Frost & Sullivan, this approach aligns with industry practices commonly adopted by companies focused on the R&D and commercialization of robotic technologies. While we maintain a strong direct sales capability, our distributor partnerships are particularly valuable in promoting standard automation components and control systems, enabling us to serve a wider customer base through their localized resources and relationships.

For details, see "Business — Sales and Marketing."

RISK FACTORS

Our business and the Global Offering involve certain risks, including (i) risks relating to our industry and business; (ii) risks relating to financial, accounting and tax matters; (iii) risks relating to our operations; (iv) risks relating to doing business in the jurisdictions where we operate; and (v) risks relating to the Global Offering. Some of the major risks we face include, but not limited to:

- The demand in the end markets of our industry is constantly changing. If we are unable to respond effectively to these changes, our business, results of operations and financial condition will be materially and adversely affected;

- Our global operations expose us to risks and complexities across multiple jurisdictions;

- We may not be able to successfully compete in the global industrial robotic solutions market;

- Developments in alternative technologies and products may adversely affect the demand for our industrial robotics products; and

- Our investments and acquisitions may not achieve the intended benefits and may expose us to various operational, financial, and regulatory risks.

COMPETITION

The global industrial robotic solutions market has experienced rapid growth. The market size of the global industrial robotic solutions market, in terms of revenue, increased from USD14.7 billion in 2020 to USD25.4 billion in 2024, representing a CAGR of 14.6%. Driven by increasing labor costs, technological innovation and higher requirements on the sustainability and stability of manufacturing, the global industrial robotic solutions market is estimated to further increase, reaching USD51.8 billion by 2029, representing a CAGR of 15.4% between 2024 and 2029. See "Industry Overview" for details.

SUMMARY OF KEY FINANCIAL INFORMATION

Summary of the Consolidated Statements of Profit or Loss

The following table sets forth key items of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Revenue	**3,880,779**	**4,651,949**	**4,008,772**	**3,370,274**	**3,803,570**
Cost of sales	(2,604,561)	(3,196,854)	(2,874,742)	(2,364,083)	(2,732,855)
Gross profit	**1,276,218**	**1,455,095**	**1,134,030**	**1,006,191**	**1,070,715**
Other net income	136,982	139,150	123,035	107,798	63,208
Selling expenses	(292,807)	(399,331)	(445,689)	(324,136)	(308,396)
Administrative expenses	(416,562)	(466,358)	(550,149)	(381,748)	(330,369)
Research and development expenses	(307,580)	(388,468)	(442,233)	(306,610)	(318,511)
(Provision for)/reversal of impairment loss on trade receivables and contract assets	(34,888)	(29,579)	(62,689)	(21,603)	4,813
Impairment loss on intangible assets and goodwill	–	–	(360,467)	–	–
Profit/(loss) from operations	**361,363**	**310,509**	**(604,162)**	**79,892**	**181,460**
Finance costs	(93,990)	(130,538)	(154,193)	(103,909)	(119,487)
Share of profits less losses of associates	(3,765)	(12,434)	(17,169)	(12,875)	(2,143)
Profit/(loss) before taxation	**263,608**	**167,537**	**(775,524)**	**(36,892)**	**59,830**
Income tax	(80,049)	(33,910)	(42,161)	(25,267)	(30,130)
Profit/(loss) for the year/period	**183,559**	**133,627**	**(817,685)**	**(62,159)**	**29,700**
Attributable to:					
Equity shareholders of the Company	166,780	135,672	(810,929)	(67,119)	25,372
Non-controlling interests	16,779	(2,045)	(6,756)	4,960	4,328

Fluctuations in our net profit/loss from 2022 to 2024 were driven by a lower gross profit margin and increased operational expenses. The rise in selling, administrative, and research and development expenses was principally due to strategic investments in our workforce, underscoring our commitment to long-term growth by attracting and retaining top talent. In 2024, we recognized a loss for the year of RMB817.7 million, which was attributable to decreased revenue and gross profit margin, impairment losses on intangible assets and goodwill and increased operating expenses. The impairment losses on intangible assets and goodwill recorded for the year ended December 31, 2024 were primarily attributable to four subsidiaries: (i) Prex, (ii) Trio Motion, (iii) Carl Cloos, and (iv) Yangzhou Shuguang. The industries in which these subsidiaries' customers operate primarily include construction machinery, heavy industry, traditional automotive industry and packaging industry. In 2024, these industries were affected by a combination of cyclical factors, such as a slowdown in global economic growth that constrained capital expenditure, softer activity in the real estate sector, and reduced demand in the traditional automotive sector due to the accelerating transition to new energy vehicles, which in turn led to reduced order intake. As a result, the performance of these subsidiaries fell short of expectations. For details, see "Financial Information — Discussion of certain key items from our consolidated statements of financial position — Goodwill." In the first nine months of 2025, we returned to profitability with profit for the period of RMB29.7 million, a significant improvement over the loss for the period of RMB62.2 million in the same period of 2024, driven by improved operational efficiency. For details, see "Business — Deteriorating Financial Performance."

For other details of our consolidated statements of profit or loss, see "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss."

Summary of the Consolidated Statements of Financial Position

The following table sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this prospectus:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	3,766,909	4,388,762	4,077,144	4,278,810
Total current assets	4,483,734	5,692,737	6,063,755	5,854,623
Total current liabilities	3,317,857	5,024,593	6,012,332	6,025,315
Net current assets/(liabilities)	**1,165,877**	**668,144**	**51,423**	**(170,692)**
Total assets less current liabilities	4,932,786	5,056,906	4,128,567	4,108,118
Total non-current liabilities	1,862,880	2,234,892	2,235,865	2,124,369
Net assets	**3,069,906**	**2,822,014**	**1,892,702**	**1,983,749**

We recorded net current liabilities of RMB170.7 million as of September 30, 2025, as compared to net current assets of RMB51.4 million as of December 31, 2024, primarily due to (i) a decrease in inventories of RMB274.8 million mainly due to deceases in finished goods and goods delivered to customers; (ii) a decrease in financial assets measured at FVPL of

RMB218.8 million due to redemption of wealth management products to repay our bank loans and the disposal of our equity interest in Yangzhou Shuguang; and (iii) an increase in trade and other payables of RMB102.9 million mainly resulting from longer credit terms granted to us by our suppliers, which were partially offset by (i) an increase in trade and other receivables of RMB254.9 million, primarily driven by higher trade volumes with certain automotive customers who had relatively long payment cycles, and (ii) a decrease in bank loans and other borrowings of RMB117.6 million.

Our net current assets decreased from RMB668.1 million as of December 31, 2023, to RMB51.4 million as of December 31, 2024, primarily as a result of our loss for the year of RMB817.7 million in 2024, which led to increased reliance on external financing and working capital support. Specifically, such decrease was mainly driven by (i) an increase in bank loans and other borrowings of RMB524.8 million to support our working capital needs; (ii) an increase in trade and other payables of RMB256.1 million, primarily because we successfully secured more favorable payment terms with certain suppliers by leveraging our economies of scale; and (iii) an increase in contract liabilities of RMB207.5 million, because of increased prepayments from customers, partially offset by an increase in inventories of RMB380.8 million.

Our net current assets decreased from RMB1,165.9 million as of December 31, 2022, to RMB668.1 million as of December 31, 2023, primarily due to (i) an increase in bank loans and other borrowings of RMB951.3 million to finance our acquisition of remaining equity interests in certain subsidiaries and our investment in construction projects to enhance our manufacturing capabilities; (ii) an increase in trade and other payables of RMB716.8 million, primarily due to increased credit-based purchases, enabled by our enhanced bargaining power stemming from economies of scale; and (iii) a decrease in financial assets measured at FVPL of RMB142.3 million, primarily because we gradually reduced our investments in wealth management products to prioritize liquidity and meet our working capital needs, partially offset by (i) an increase in trade and other receivables of RMB534.0 million, primarily due to our growing sales; and (ii) an increase in cash and cash equivalents of RMB527.9 million.

Our net assets increased from RMB1,892.7 million as of December 31, 2024 to RMB1,983.7 million as of September 30, 2025, primarily driven by the recognition of a profit for the period of RMB29.7 million and other comprehensive income of RMB112.4 million, partially offset by the decrease in non-controlling interests of RMB62.6 million during the nine months ended 30 September 2025 due to the disposal of Yangzhou Shuguang.

Our net assets decreased from RMB2,822.0 million as of December 31, 2023, to RMB1,892.7 million as of December 31, 2024, primarily driven by (i) the recognition of a loss for the year of RMB817.7 million and other comprehensive income of RMB57.6 million, (ii) dividends approved in respect of the previous year of RMB52.0 million, and (iii) appropriation of dividends to non-controlling shareholders of subsidiaries of RMB21.6 million, partially offset by equity-settled share-based transactions, which were related to our adoption of an employee share reward scheme in 2022, amounting to RMB10.5 million.

Our net assets decreased from RMB3,069.9 million as of December 31, 2022 to RMB2,822.0 million as of December 31, 2023, primarily attributable to (i) our acquisition of non-controlling interests of RMB401.2 million, mainly relating to our investment in M.A.i and Carl Cloos, and (ii) dividends approved in respect of the previous year of RMB26.0 million, partially offset by the recognition of a profit for the year of RMB133.6 million and other comprehensive income of RMB29.0 million, and equity-settled share-based transactions of RMB19.4 million.

Our Inventory/Trade and Bill Receivables/Trade and Bill Payables Turnover Days

Our inventory turnover days remained relatively stable at 138 and 141 days in 2022 and 2023, respectively. Our inventory turnover days further increased to 194 days in 2024, primarily driven by our proactive strategy of maintaining higher inventory levels of certain general-purpose models to promptly meet the needs of our key account customers and ensure operational readiness. Our inventory turnover days decreased to 158 days in the first nine months of 2025, primarily because we strengthened our make-to-order production model and enhanced the management of finished goods inventory.

Our trade and bill receivables turnover days increased from 135 days in 2022 to 160 days in 2023, and further to 215 days in 2024, as the growth in trade and bill receivables outpaced the increase in revenue, which was primarily attributable to (i) our decision to offer more favorable credit terms to key account customers as part of our strategy to enhance market penetration; and (ii) the prolonged payment cycles of certain customers, particularly those in the photovoltaic industry. Our trade and bill receivables turnover days decreased to 180 days in the first nine months of 2025, primarily attributable to our enhanced measures in payment collection and proactive approach in shortening payment cycles of certain customers.

Our trade and bill payables turnover days increased from 136 days in 2022 to 177 days in 2023, and further to 248 days in 2024, primarily driven by a rise in credit-based purchases and our ability to secure more favorable payment terms from suppliers, facilitated by our strengthened bargaining power resulting from economies of scale. Our trade and bill payables turnover days decreased to 212 days in the first nine months of 2025, mainly due to our proactive approach in accelerating the payment process with our suppliers to ensure our procurement can timely support our manufacturing process and to support the sustainable development of our supply chain.

Our Financial Ratios

The following table sets forth certain of our key financial ratios as of the dates or for the periods indicated:

	Year ended/As of December 31,			Nine months ended/ As of September 30,	
	2022	2023	2024	2024	2025
Gross profit margin[1]	32.9%	31.3%	28.3%	29.9%	28.2%
Current ratio[2]	1.35	1.13	1.01	N/A	0.97
Quick ratio[3]	1.01	0.87	0.72	N/A	0.73
Debt-to-equity ratio[4]	0.96	1.51	2.54	N/A	2.28
Cash conversion cycle[5]	137	124	161	N/A	126

Notes:

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

(2) Current ratio is calculated based on total current assets divided by total current liabilities as of the dates indicated.

(3) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities as of the dates indicated.

(4) Debt-to-equity ratio is calculated as indebtedness divided by total equity as of the same date. Indebtedness represents bank loans and other borrowings, as well as lease liabilities. The increases in our debt-to-equity ratio throughout the Track Record Period were primarily due to additional borrowings raised to fund our capital expenditures and acquisitions of non-controlling interests in certain subsidiaries.

(5) Cash conversion cycle is calculated using the inventory turnover days in each period plus the trade and bill receivables turnover days in the respective period minus the trade and bill payables turnover days in the respective period.

For details, see "Financial Information — Key Financial Ratios."

Summary of the Consolidated Statements of Cash Flows

The following table sets forth our consolidated statements of cash flows for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Net cash generated from/(used in) operating activities	17,482	714	(104,035)	(531,056)	300,061
Net cash (used in)/generated from investing activities	(262,041)	(678,175)	(192,494)	(230,765)	23,967
Net cash generated from/(used in) financing activities	253,870	1,200,946	288,729	610,868	(399,429)
Net increase/(decrease) in cash and cash equivalents	**9,311**	**523,485**	**(7,800)**	**(150,953)**	**(75,401)**
Cash and cash equivalents at the beginning of year/period	652,937	668,322	1,196,253	1,196,253	1,181,104
Effect for foreign exchange rate changes	6,074	4,446	(7,349)	191	16,263
Cash and cash equivalents at the end of year/period	**668,322**	**1,196,253**	**1,181,104**	**1,045,491**	**1,121,966**

Net cash generated from operating activities in the nine months ended September 30, 2025 amounted to RMB300.1 million, primarily comprising a profit before taxation of RMB59.8 million, adjusted for certain non-cash and non-operating items. These adjustments primarily included (i) finance costs of RMB119.5 million, (ii) depreciation of property, plant and equipment of RMB77.4 million; and (iii) amortisation of intangible assets of RMB46.8 million. The amount was further adjusted by changes in working capital, which primarily included: (i) a decrease in inventories of RMB248.2 million; and (ii) an increase in trade and other payables of RMB61.3 million, partially offset by (i) an increase in trade and other receivables of RMB277.8 million.

Net cash used in operating activities in 2024 amounted to RMB104.0 million, primarily comprising a loss before taxation of RMB775.5 million, adjusted for certain non-cash and non-operating items. These adjustments primarily included (i) impairment loss on intangible assets and goodwill of RMB360.5 million; (ii) finance costs of RMB154.2 million; and (iii) depreciation of property, plant and equipment of RMB93.5 million. The amount was further adjusted by changes in working capital, which primarily included: (i) an increase in trade and other payables of RMB200.1 million; and (ii) an increase in contract liabilities of RMB197.7 million, partially offset by (i) an increase in inventories of RMB395.2 million; and (ii) an increase in trade and other receivables of RMB173.3 million.

Net cash generated from operating activities in 2023 was RMB714 thousand, primarily consisting of profit before taxation of RMB167.5 million, adjusted for certain non-cash and non-operating items. These adjustments primarily included: (i) finance costs of RMB130.5 million; (ii) depreciation of property, plant and equipment of RMB71.4 million; and (iii) amortization of intangible assets of RMB43.7 million. The amount was further adjusted by changes in working capital, which primarily included: (i) an increase in trade and other receivables of RMB654.2 million; and (ii) an increase in inventories of RMB235.4 million, partially offset by an increase in trade and other payables of RMB533.4 million.

Net cash generated from operating activities in 2022 totaled RMB17.5 million, primarily consisting of profit before taxation of RMB263.6 million, adjusted for certain non-cash and non-operating items. These adjustments primarily included: (i) finance costs of RMB94.0 million; (ii) depreciation of property, plant and equipment of RMB62.7 million; and (iii) realised and unrealised gains on other financial assets measured at FVPL of RMB52.8 million. The amount was further adjusted by changes in working capital, which primarily included: (i) an increase in trade and other receivables of RMB786.9 million; and (ii) an increase in inventories of RMB376.5 million, partially offset by an increase in trade and other payables of RMB747.2 million.

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

Deteriorating Financial Performance in 2024 and Measures for Sustainable Development

The Company's demand is driven by customers' capital expenditure, which fluctuates with macroeconomic conditions. Unlike consumables, its products are purchased as part of discrete investment projects, making results sensitive to the manufacturing investment cycle. In 2024, we faced a challenging global economic downturn and a broad-based reduction in investment activity across most of the downstream sectors to which we primarily sells, including construction machinery, heavy industry and photovoltaics. These factors were the primary contributors to the deterioration of our financial results in 2024, including declines in revenue, as well as a net loss and net operating cash outflow.

We have taken measures to improve our financial performance, including measures to boost revenue growth, manage our cost of sales and improve operational efficiency. In the first nine months of 2025, our business gradually recovered from the temporary downturn in 2024. Our revenue increased by 12.9% from RMB3,370.3 million to RMB3,803.6 million, and gross profit increased by 6.4% from RMB1,006.2 million to RMB1,070.7 million, from the first nine months of 2024 to the first nine months of 2025. We recorded profit for the period of RMB29.7 million in the first nine months of 2025, as compared to loss for the period of RMB62.2 million in the first nine months of 2024.

For details, see "Business — Deteriorating Financial Performance."

OUR CONTROLLING SHAREHOLDERS GROUP

The Controlling Shareholders Group, including Mr. Wu, Mr. Wu Kan (son of Mr. Wu), Ms. Liu Fang (劉芳) (spouse of Mr. Wu) and Nanjing Primest. As of the Latest Practicable Date, the Controlling Shareholders Group was able to exercise approximately 42.15% voting rights in our Company, comprising of (i) 110,996,700 Shares (representing approximately 12.74% of the issued Share capital of our Company) held directly by Mr. Wu, (ii) 254,894,742 Shares (representing approximately 29.26% of the issued Share capital of our Company) held by Nanjing Primest, which is a limited liability company established under the laws of the PRC and is held as to 96.89%, 3.00% and 0.11% by Mr. Wu, Mr. Wu Kan and Ms. Liu Fang, respectively and (iii) 1,263,033 Shares (representing approximately 0.15% of the issued Share capital of our Company) held directly by Mr. Wu Kan.

Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and options granted under the 2025 Share Option Scheme are not exercised), the Controlling Shareholders Group will be entitled to exercise approximately 37.94% voting rights in our Company. Therefore, the Controlling Shareholders Group will continue to be our Controlling Shareholders Group for the purpose of the Listing Rules.

LISTING ON THE SHENZHEN STOCK EXCHANGE

Since 2015, our Company has been listed on the Shenzhen Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances of material 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 is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause them to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in our H Shares to be issued pursuant to the Global Offering 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 RMB4,008.8 million (equivalent to approximately HK$4,515.1 million) in the financial year ended December 31, 2024 which exceeds HK$500 million, and (ii) our expected market capitalization at the time of Listing, which, based on the Offer Price of HK$16.18 per Offer Share, being the midpoint of the indicative price range stated in this prospectus, exceeds HK$4 billion.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

Our Directors have prepared the estimate of the consolidated profit attributable to equity shareholders of our Company for the year ended December 31, 2025 (the "**Profit Estimate**") on the basis of the audited consolidated results of our Group for the nine months ended September 30, 2025 and the unaudited consolidated results based on the management accounts of the Group for the two months ended November 30, 2025, and an estimate of the consolidated results of our Group for the remaining one month ended December 31, 2025. The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarized in the Accountants' Report as set out in Appendix I to this prospectus. See "Appendix IA — Profit Estimate" in this prospectus for further details.

Estimated consolidated profit attributable to equity shareholders of the Company for the year ended December 31, 2025	Not less than RMB35.0 million

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 96,780,000 H Shares are newly issued in the Global Offering, (ii) the Over-allotment Option for the Global Offering is not exercised, and (iii) 967,798,453 Shares are issued and outstanding following the completion of the Global Offering:

	Based on an Offer Price of HK$15.36 per Offer Share	Based on an Offer Price of HK$17.00 per Offer Share
Market capitalization[(1)]	HK$25,304 million	HK$25,462 million
– Market capitalization of our A Shares[(2)]	HK$23,817 million	HK$23,817 million
– Market capitalization of our H Shares[(3)]	HK$1,487 million	HK$1,645 million
Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share[(4)]	HK$1.86 (RMB1.65)	HK$2.02 (RMB1.79)

Notes:

(1) The calculation of market capitalization is based on the average closing price of the A Shares of RMB24.28 per Share for the five business days immediately preceding the Latest Practicable Date and the total number of 967,798,453 Shares in issue immediately following completion of the Global Offering, and without taking into account any Shares that may be issued upon exercise of the Over-allotment Option or options granted under the 2025 Share Option Scheme.

(2) The calculation of market capitalization of our A Shares is based on the average closing price of the A Shares of RMB24.28 per Share for the five business days immediately preceding the Latest Practicable Date and the total number of 871,018,453 A Shares in issue as of the Latest Practicable Date.

(3) The calculation of market capitalization of our H Shares is based on 96,780,000 H Shares expected to be issued in the Global Offering, assuming the Over-allotment Option is not exercised.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share is arrived at after the above adjustments and on the basis that a total of 963,798,453 shares (excluding the 4,000,000 treasury shares as disclosed in Note 31(d) to the Accountants' Report as set out in Appendix I to this prospectus) in issue assuming that the Global Offering had been completed on September 30, 2025 without taking into account of any shares which may be issued upon the exercise of the Over-allotment Option and any shares to be issued pursuant to the share option scheme and share reward scheme. No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to September 30, 2025, including but not limited to the disposal of remaining 48% equity interest in Yangzhou Shuguang completed in November 2025. Had such disposal been completed on September 30, 2025, the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company would have increased by approximately RMB11.5 million and the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share would have been increased by RMB0.01 or HK$0.02.

For the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share, see "Unaudited Pro Forma Statement of Adjusted Net Tangible Assets" in Appendix II to this prospectus.

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, our dividends paid to equity shareholders of our Company were RMB25.8 million, RMB26.0 million, RMB52.0 million and nil in 2022, 2023, 2024 and the first nine months of 2025, respectively, representing dividend payout ratios, calculated based on dividends paid to equity shareholders of our Company in 2023, 2024 and the first nine months of 2025 divided by profit or loss for the year/period attributable to equity shareholders of our Company for 2022, 2023 and 2024 in a given period and multiplied by 100%, of 15.6%, 38.3% and nil, respectively. On April 29, 2023, our Board of Directors approved our "Shareholder Return Plan for the Next Three Years (2023-2025)" (the "**Shareholder Return Plan**"). According to our Shareholder Return Plan, and subject to relevant PRC laws and applicable regulations, and our Articles of Association, after making up for any losses (if any), allocating statutory reserve funds, and allocating discretionary reserve funds (if necessary), from the year of 2023 to 2025, except for special circumstances, we target to distribute cash dividends to our Shareholders no less than 20% of our distributable profit for the year if our Company is profitable for the year and has a positive cumulative undistributed profit. The aforementioned special circumstances include: (i) the issuance of accountants' report with a qualified opinion by the Company's reporting accountants, or (ii) the occurrence of significant investments or capital expenditure events, representing any investments or asset acquisitions with cumulative expenditures reaching or exceeding RMB50.0 million or 30% of our net assets based on the audited financial statements from the latest financial year. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that we have entered into or may enter into in the future. See "Risk Factors — Risks Relating to the Global Offering — 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."

According to applicable PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號–上市公司現金分紅(2025)年修訂》), our Articles of Association and our dividend policy, subject to the fulfillment of the conditions for cash dividends, the annual cash dividends of our Company shall account for no less than 20% of the profits realized by our Company in that year (calculated in accordance with PRC GAAP) which are available for distribution and attributable to the shareholders. Future profit distributions may be carried out in the form of cash dividends or stock dividends, or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant. According to PRC Company Law and our dividend policy, where the accumulative amount of the company's statutory reserve is not sufficient to cover losses from the previous year, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued according as legally required; after a company has made up its losses, the residual after-tax profits and accrued reserve shall be distributed by the company (in the case of a joint stock limited company) in proportion to the shares held by its shareholders, except as otherwise provided for in the company's articles of association. Therefore, our PRC Legal Advisors are of the view that we can pay dividend despite accumulated losses except when the accumulative amount of our statutory reserve is not sufficient to cover accumulated losses, in which case the current year's profits shall first be used to make up for the losses.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,486.0 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming no Over-allotment Option is exercised, and an Offer Price of HK$16.18 per H Share, being the midpoint of the indicative price range stated in this prospectus.

In line with our strategies, we currently intend to apply these net proceeds for the following purposes, subject to changes in light of our evolving business needs and changing market conditions: (i) approximately 25.0% of the net proceeds, or approximately HK$371.5 million, will be allocated to the expansion of our global production capabilities; (ii) approximately 25.0% of the net proceeds, or approximately HK$371.5 million, will be allocated to the selective pursuit of strategic alliances, investments, and acquisition opportunities, both domestically and internationally, within the upstream and downstream segments of the industrial robotics industry; (iii) approximately 20.0% of the net proceeds, or approximately HK$297.2 million, will be invested in R&D initiatives to advance next-generation industrial robotics technologies, aiming to reinforce our market leadership; (iv) approximately 10.0% of the net proceeds, or approximately HK$148.6 million, will be used for strengthening our global service capabilities and developing a organization-wide digitized management system; (v) approximately 10.0% of the net proceeds, or approximately HK$148.6 million, will be used to partially repay existing loans; and (vi) the remaining approximately 10.0% of the net proceeds, or approximately HK$148.6 million, will be used for working capital and general corporate purposes.

For details, see "Future Plans and Use of Proceeds."

LISTING EXPENSES

Assuming that the Over-allotment Option is not exercised and an Offer Price of HK$16.18 per Offer Share (being the mid-point of the indicative Price Range stated in this prospectus), the aggregate commissions and fees, together with the Stock Exchange listing fee, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the Listing and the Global Offering, which are payable by us, are estimated to amount in aggregate to approximately HK$79.9 million (assuming the Over-allotment Option is not exercised), accounting for 5.1% of the gross proceeds from the Global Offering.

During the Track Record Period, we incurred listing expenses of RMB17.5 million (equivalent to HK$19.7 million), of which RMB1.1 million (equivalent to HK$1.2 million) was recognized as administrative expenses in the consolidated statements of profit or loss and RMB16.4 million (equivalent to HK$18.5 million) was directly attributable to the issuance of Offer Shares which is expected to be charged against equity upon the Listing. We expect to incur additional listing expenses of approximately RMB53.4 million (equivalent to HK$60.1 million), of which RMB1.9 million (equivalent to HK$2.1 million) is expected to be expensed through the statement of profit or loss and approximately RMB51.5 million (equivalent to HK$58.0 million) is expected to be recognized directly as a deduction from equity upon the Listing. By nature, our listing expenses are composed of (i) underwriting-related expenses of approximately HK$41.1 million, and (ii) non-underwriting-related expenses of approximately HK$38.8 million, which consist of fees and expenses of legal advisors and Reporting Accountants of approximately HK$29.8 million, and other fees and expenses of approximately HK$9.0 million.

LEGAL PROCEEDINGS AND COMPLIANCE

We may, from time to time, be subject to legal proceedings, disputes and claims that arise in the ordinary course of business, which primarily include contractual disputes and employment matters. As of the Latest Practicable Date, we were not a party to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by the government authorities or third parties which would materially and adversely affect our business. Our Directors are not involved in any actual or threatened material claims or litigation.

During the Track Record Period and up to the Latest Practicable Date, we were not imposed any material administrative penalties. We did not experience any material or systemic non-compliance incidents, which, taken as a whole, are likely to have a material and adverse effect on our business, financial condition or results of operations.

For details, see “Business — Legal Proceedings and Compliance.”

IMPACT OF THE COVID-19 PANDEMIC

The COVID-19 pandemic, which began in early 2020 continued to spread worldwide through 2022 including in regions where we have business operations. To contain the spread of COVID-19 in our offices and production facilities and safeguard employee well-being, we implemented mitigation measures, including remote-work arrangements, social-distancing and mask-wearing protocols. Our supply chain, daily operations and financial results were not materially adversely affected during the Track Record Period. As the COVID-19 pandemic has subsided, we do not expect further material adverse impact on our business or financial performance, although we will continue to monitor developments. See “Risk factors — Risks related to our operations — Our business growth and results of operations may be affected by changes in global and regional macroeconomic conditions, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.”

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material changes to our business model and the general economic and regulatory environment in which we operate, there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of our latest consolidated financial statements as set out in the Accountants' Report in Appendix I to this prospectus.

RECENT DEVELOPMENT

Business Updates

Following the end of the Track Record Period, our ultra-heavy-duty robots have achieved a payload capacity of up to 1,200kg by leveraging our proprietary heavy-duty dual-drive robotic technology. In addition, our servo systems have been included in the preferred supplier list of one of our five largest customers during the Track Record Period, demonstrating the growing market acceptance of our products. In addition, we introduced the iER Series robots with an updated software system, improving coordination between hardware and software and supporting high-precision operation.

Proposed Restructuring of Our Minority Interest in Nanjing Technical Equipment

In November 2024 and May 2025, we respectively entered into an agreement and a supplemental agreement with Nanjing Chemical Fibre Co., Ltd. (南京化纖股份有限公司) (stock code: 600889.SH) ("**Nanjing Chemical Fibre**"), pursuant to which we agreed to transfer approximately 3% equity interest in Nanjing Technical Equipment Manufacture Co., Ltd. (南京工藝裝備製造股份有限公司) ("**Nanjing Technical Equipment**") held by our Group in exchange for approximately 1.89% equity interest in Nanjing Chemical Fibre (the "**Proposed Transaction**"), which forms part of the asset restructuring of Nanjing Chemical Fibre. Nanjing Chemical Fibre and its ultimate beneficial owner (being State-owned Assets Supervision and Administration Commission of Nanjing Municipal Government (南京市人民政府國有資產監督管理委員會) are Independent Third Parties. The Proposed Transaction has been approved by the Shanghai Stock Exchange. Registration with the CSRC was subsequently completed on February 13, 2026, and such registration remains valid for 12 months. Completion of the Proposed Transaction is subject to the issuance of shares by Nanjing Chemical Fibre to our Group. Nanjing Chemical Fibre has announced that it intends to complete the Proposed Transaction within the validity period of the CSRC registration. However, as of the Latest Practicable Date, no detailed timetable for completing the Propsed Transaction has been disclosed.

Nanjing Technical Equipment had been one of our suppliers of ball screws prior to our investment. In 2022, we acquired 3% equity interest in Nanjing Technical Equipment, as we recognized its growth potential based on our understanding of its business. We believe this investment has further strengthened our cooperation with Nanjing Technical Equipment. Upon completion of the Proposed Transaction, we will hold shares in Nanjing Chemical Fibre, a company listed on the Shanghai Stock Exchange, thereby enhancing the liquidity of our investment. Our Directors consider that the Proposed Transaction has been entered into on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We have applied to the Stock Exchange for, and the Stock Exchange has granted a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in respect of the Proposed Transaction. See "Waivers from Strict Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance — Waiver in relation to Post-Track Record Period Acquisition."

Disposal of Yangzhou Shuguang

In June 2025, Nanjing Dingkong, one of our subsidiaries, partially disposed of its equity interests held in Yangzhou Shuguang. As a result, Yangzhou Shuguang ceased to be consolidated into our Group's consolidated financial statements. On October 20, 2025, Nanjing Dingkong and Shuguang Lanfengqi entered into a framework agreement to dispose of their respective equity interest in Yangzhou Shuguang. As of the Latest Practicable Date, the above-mentioned two equity transfers had been completed, and Nanjing Dingkong ceased to hold any equity interest of Yangzhou Shuguang. For details, see "History, Development and Corporate Structure — Major Share Capital Changes and Development of Our Company — Disposal of Yangzhou Shuguang Optoelectronics Automation Co., Ltd. (揚州曙光光電自控有限責任公司)."

Recent Trade Policies

In light of recent geopolitical developments and heightened U.S.-China trade tensions, we have carefully reviewed the potential impact of such factors on our operations and financial performance. During the Track Record Period, our revenue derived from the U.S. was insignificant, and products sold in the U.S. were primarily manufactured in Europe rather than exported directly from Chinese Mainland. While certain products incorporated a limited amount of U.S.-origin electronic components and we utilized a small number of U.S.-origin equipment, our International Sanctions Legal Advisers have advised that these circumstances should not give rise to material risks under U.S. export control laws, as our products sold globally do not contain more than a *de minimis* level of controlled U.S. content nor fall within the scope of the Export Administration Regulations as foreign direct products of U.S. technologies. Our Directors are of the view that recent geopolitical developments and U.S.-China trade tensions have not had a material adverse effect on our operations or financial performance. Notwithstanding the immaterial contribution of the U.S. market, we remain committed to strengthening our market penetration in China and expanding our presence in Europe, including through the establishment of local manufacturing facilities, with a view to further mitigating potential risks.

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the Shenzhen Stock Exchange
"A Shareholder(s)"	holder(s) of the A Share(s)
"Accountants' Report"	the accountants' report from KPMG, the text of which is set out in Appendix I to this prospectus
"affiliate(s)"	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 adopted by our Company with effect upon the Listing Date and as amended from time to time, a summary of which is set out in Appendix V to this prospectus
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors
"business day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"CAGR"	compound annual growth rate
"Capital Market Intermediary(ies)"	the capital market intermediary(ies) as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus

"Carl Cloos (China)"	Carl Cloos Robotics Technology (China) Co., Ltd. (卡爾克魯斯機器人科技(中國)有限公司), a limited liability company established in the PRC on June 10, 2020 and a subsidiary of our Company
"Carl Cloos"	Carl Cloos Schweißtechnik GmbH (德國克魯斯公司), a limited liability company registered in Germany on June 30, 1977 and a subsidiary of our Company
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Chairman"	chairman of the Board
"China," "Chinese Mainland" or "the PRC"	the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this prospectus only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"Cloos Welding"	Cloos Welding Technology (Beijing) Co., Ltd.卡爾克魯斯焊接技術(北京)有限公司, a limited liability company incorporated in PRC on October 26, 2009 and a subsidiary of our Company
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"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", "our Company" or "the Company"	ESTUN AUTOMATION CO., LTD (南京埃斯頓自動化股份有限公司) (formerly known as Nanjing Estun Digital Technology Co., Ltd. (南京埃斯頓數字技術有限公司)), a limited liability company incorporated in the PRC on February 26, 2002 and was converted into a joint stock company with limited liability on July 5, 2011, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002747.SZ)

"Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"Compliance Advisor"	Maxa Capital Limited
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)" or "Controlling Shareholders Group"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Wu, Mr. Wu Kan (吳侃) (son of Mr. Wu), Ms. Liu Fang (劉芳) (spouse of Mr. Wu) and Nanjing Primest
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CSDC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
"Employee Incentive Scheme"	the 2025 Restricted Share Scheme and the 2025 Share Option Scheme
"ESG Committee"	the environmental, social and governance (ESG) committee of the Board
"Estun Intelligent"	Nanjing Estun Intelligent System Engineering Co., Ltd. (南京埃斯頓智能系統工程有限公司), a limited liability company established in the PRC on February 2, 2007 and a subsidiary of our Company

"Estun Intelligent (Jiangsu)"	Estun Intelligent Technology (Jiangsu) Co. Ltd. (埃斯頓智能科技(江蘇)有限公司), a limited liability company established in the PRC on July 19, 2022 and a subsidiary of our Company
"Estun Robot"	Nanjing Estun Robot Engineering Co., Ltd. (南京埃斯頓機器人工程有限公司), a limited liability company established in the PRC on September 5, 2011 and a subsidiary of our Company
"Estun Software"	Nanjing Estun Software Technology Co., Ltd. (南京埃斯頓軟件技術有限公司), a limited liability company established in the PRC on November 27, 2013 and a subsidiary of our Company
"Extreme Conditions"	extreme conditions caused by a super typhoon or other natural disaster of a substantial scale seriously affect the working public's ability to resume work or brings safety concern for a prolonged period as announced by the government of Hong Kong
"FINI" or "Fast Interface for New Issuance"	an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"Frost & Sullivan" or "Industry Consultant"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party
"Frost & Sullivan Report"	the industry report commissioned by us and independently prepared by Frost & Sullivan, summary of which is set forth in the section headed "Industry Overview" in this prospectus
"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require

"Guide"	The Guide for New Listing Applicants, as published by the Stock Exchange on November 29, 2023 and effective on January 1, 2024, as amended or supplemented or otherwise modified from time to time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"H Shareholder(s)"	holder(s) of the H Share(s)
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI System to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operation and functions of the Systems, as from time to time in force
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 9,678,000 H Shares initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in "Structure and Conditions of the Global Offering")
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to reallocation as described in the section headed "Structure and Conditions of the Global Offering") at the Offer Price (plus brokerage, SFC transaction levies, Stock Exchange trading fees and AFRC transaction levy), on and subject to the terms and conditions described in this prospectus and as further described in "Structure and Conditions of the Global Offering — The Hong Kong Public Offering"
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting — Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated February 26, 2026 relating to the Hong Kong Public Offering and entered into by and among our Company, the Sponsor-Overall Coordinator, and the Hong Kong Underwriters, as further described in "Underwriting — Underwriting Arrangements and Expenses"
"IAS"	International Accounting Standards
"IFRS"	IFRS Accounting Standards issued by the International Accounting Standards Board
"International Sanctions Legal Advisers"	Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo, our legal advisers as to International Sanctions in connection with the Listing

"Independent Third Party(ies)"	any person(s) or entity(ies) who, to the best of our Directors' knowledge, information and belief having made all reasonable enquiries, is/are not a connected person of our Company within the meaning of the Listing Rules
"International Offer Shares"	the 87,102,000 H Shares initially offered by our Company for subscription pursuant to the International Offering together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option (subject to reallocation as described in "Structure and Conditions of the Global Offering")
"International Offering"	the offer of the International Offer Shares by the International Underwriters at the Offer Price to persons outside the United States in offshore transactions in accordance with Regulation S, as further described in "Structure and Conditions of the Global Offering"
"International Underwriters"	the group of international underwriters that is expected to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the underwriting agreement expected to be entered into on or around the Price Determination Date by, among others, our Company, the Sponsor-Overall Coordinator and the International Underwriters in respect of the International Offering, as further described in "Underwriting — Underwriting Arrangements and Expenses — The International Offering"
"Joint Bookrunners"	the Joint Bookrunners as named in "Directors and Parties Involved in the Global Offering"
"Joint Global Coordinators"	the Joint Global Coordinators as named in "Directors and Parties Involved in the Global Offering"
"Joint Lead Managers"	the Joint Lead Managers as named in "Directors and Parties Involved in the Global Offering"
"Latest Practicable Date"	February 20, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication

"Listing"	listing of the H Shares on the Main Board of the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date, expected to be on or around Monday, March 9, 2026, on which our H Shares of the Company are listed and from which dealings therein are permitted to take place on the Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF" or "Ministry of Finance"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"MOST"	Ministry of Science and Technology of the PRC (中華人民共和國科學技術部)
"Mr. Wu"	Mr. Wu Bo (吳波), an executive Director, the chairman of the Board, the chief strategic officer of our Company, and one of our Controlling Shareholders
"Nanjing Primest"	Nanjing Primest Technology Co., Ltd. (南京派雷斯特科技有限公司), one of our Controlling Shareholders
"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)
"Nomination Committee"	the nomination committee of our Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

"Offer Price"	the final price per H Share in Hong Kong dollars (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of not less than HK$15.36 and expected to be not more than HK$17.00, at which Hong Kong Offer Shares are to be subscribed, to be determined in the manner further described in "Structure and Conditions of the Global Offering — Pricing and Allocation"
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Overall Coordinators"	the overall coordinators as named in "Directors and Parties Involved in the Global Offering"
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 14,517,000 additional H Shares at the Offer Price to, cover over-allocations in the International Offering, if any, further details of which are described in "Structure and Conditions of the Global Offering"
"Overseas Listing Trial Measures"	The Trial Measures for the Administration on 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 CSRC on February 17, 2023, which became effective on March 31, 2023, as amended, supplemented or otherwise modified from time to time
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them

"PRC Legal Advisors"	Zhong Lun Law Firm, our legal advisor as to PRC laws
"Price Determination Agreement"	the agreement to be entered into by the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price
"Price Determination Date"	the date, expected to be on or around Thursday, March 5, 2026 (Hong Kong time) on which the Offer Price is determined, or such later time as the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company may agree, but in any event no later than 12:00 noon on Thursday, March 5, 2026
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"Reporting Accountants"	KPMG, Certified Public Accountants, Hong Kong
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both A Shares and H Shares

"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and CSDC for the establishment of mutual market access between Hong Kong and Shenzhen
"Sole Sponsor"	Huatai Financial Holdings (Hong Kong) Limited
"Southbound Trading Link"	the entrustment of China securities houses by China investors to trade shares listed on the Stock Exchange within a stipulated range via filing by the securities trading service companies established by the Shanghai Stock Exchange and Shenzhen Stock Exchange with the Stock Exchange
"Sponsor-Overall Coordinator"	Huatai Financial Holdings (Hong Kong) Limited
"sq.m."	square meters
"Stabilizing Manager"	Huatai Financial Holdings (Hong Kong) Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buybacks published by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three years ended December 31, 2024 and the nine months ended September 30, 2025
"Trio Motion"	Trio Motion Ltd, a limited liability company established in United Kingdom on September 16, 2013 and a subsidiary of our Company
"United Kingdom" or "U.K."	the United Kingdom of Great Britain and Northern Ireland
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"VAT"	value-added tax
"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of the **White Form eIPO** Service Provider at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"2025 Share Option Scheme"	the A Share option scheme adopted by our Company pursuant to resolutions passed by our Shareholders on June 20, 2025, the principal terms of which are set out in "Statutory and General Information — Employee Incentive Schemes" in Appendix VI to this prospectus
"2025 Restricted Share Scheme"	the A Share option scheme adopted by our Company pursuant to resolutions passed by our Shareholders on June 20, 2025, the principal terms of which are set out in "Statutory and General Information — Employee Incentive Schemes" in Appendix VI to this prospectus
"%"	percent

Certain amounts and percentage figures included in this prospectus 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.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this prospectus in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.

This glossary of technical terms contains terms used in this prospectus as they relate to our business. As such, these terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"accuracy"	the degree to which the robot's end-effect or reaches a commanded position, either as a single point or along a predefined trajectory
"AC servo drive system"	a system consisting of an AC servo drive and motor, enabling precise control of position, speed, and torque for connected mechanical components
"AI"	artificial intelligence
"API"	application programming interface, a type of software interface offering a service to other pieces of software
"application-specific industrial robots"	robots designed for dedicated industrial scenarios such as casting, bending, stamping, and welding, with tailored performance and configurations
"arc tracking"	a welding technique that uses sensors to dynamically follow the path of the weld seam during operation
"arc welding"	a welding process utilizing an electric arc's high heat to melt electrodes and workpieces, fusing metal joints
"background operations"	functions that a robot controller can perform in parallel with main tasks, improving multitasking efficiency
"bending robot"	a type of robot specialized for precise sheet metal bending in automated press brake systems
"bus-sharing"	a control system feature that allows multiple servo drives to share a common communication bus and power source, enhancing efficiency
"bushar welding"	the process of welding conductive bars (busbars) to connect battery cells or modules, ensuring reliable electrical connections within the battery assembly

"CAD"	computer-aided design, software used to create precise 2D or 3D drawings of mechanical parts, often directly imported into bending or stamping automation solutions
"CE"	Conformité Européenne, a certification mark indicating that a product complies with European Union health, safety, and environmental protection standards, allowing it to be sold within the European Union
"cETLus"	a certification mark indicating that a product meets electrical safety standards in the United States and Canada, ensuring safe and reliable operation under normal conditions
"cleanroom robot"	a robot designed to operate in environments with stringent cleanliness standards, such as semiconductor or pharmaceutical manufacturing
"CNC"	computer numerical control, the computerized automation of machine tools, where machine tools are directly operated using data stored in digital media
"control cabinet"	an enclosure housing the electronic and power components that control robot operations
"core robot controller"	the central processing unit of a robot system that handles motion control, task execution, and system integration
"digital twin simulation"	a virtual model that mirrors real-world production systems for simulation, debugging, and performance optimization
"DIP"	dual in-line package, a common type of electronic component packaging used in through-hole assembly processes
"dual-drive technology"	a heavy-duty robot configuration using two motors and two reducers in parallel to replace a single high-torque reducer, improving cost and supply resilience
"dual-voltage brake control"	a system that controls the motor brake using two voltage levels to achieve precise and safe stopping

"edge computing"	local data processing at the machine level using embedded systems, enabling real-time decisions without relying on centralized servers
"edge-side AI"	artificial intelligence processing performed directly on the local controller, in conjunction with cloud-based AI, enabling flexible, extensible, and intelligent control
"electro-hydraulic servo system"	a closed-loop control system converting electrical energy into hydraulic energy via servo valves or proportional valves and hydraulic pumps, with feedback from sensors to ensure precise motion trajectory and state regulation for metal forming machinery
"energy feedback system"	a regenerative braking mechanism that captures and reuses energy from deceleration phases in servo systems
"EtherCAT"	a high-performance industrial Ethernet protocol used for real-time automation and motion control
"EtherNet"	a standard communication protocol for industrial networks, used for real-time machine communication
"E-Care platform"	a remote maintenance platform combining IoT connectivity and cloud-based diagnostics to support predictive servicing
"E-Noesis platform"	a cloud-based digital operations platform that provides performance insights, predictive analytics, and intelligent programming tools
"four-quadrant active rectification at the power end"	a technique that allows power to flow in both directions, enabling the motor to drive and regenerate energy efficiently
"forward engineering"	a structured process of designing and developing products from initial concepts to finalized designs
"full closed-loop control"	a servo control method where feedback sensors continuously adjust output to maintain high precision
"functional safety"	safety features and system designs that ensure a robot reacts predictably and safely in hazardous conditions, in compliance with international standards

"general-purpose industrial robot"	a robot designed for versatile tasks across various industries, with models classified by payload range
"High-IP-rated robots"	a robot product line featuring enhanced protection against dust and water, allowing them to operate reliably in demanding industrial conditions
"high-performance motion controller"	a control unit capable of managing large-scale, high-speed multi-axis movement with microsecond-level response times
"high-precision palletizing"	automated stacking or arranging of items with strict positioning tolerances, often using robotic arms
"heavy-duty industrial robot"	a robot engineered to handle payloads above 100kg, suitable for material handling, die-casting, and stamping applications
"ICT"	in-circuit testing, an automated test method for validating the electrical performance of circuit boards before final assembly
"IIoT"	industrial internet of things, a connected network of sensors, controllers, and machines that exchange data to optimize industrial processes
"intelligent manufacturing system"	an automated production unit integrating smart industrial robots and auxiliary equipment to minimize manual intervention and enhance efficiency
"IPD"	integrated product development, a structured, stage-based product development methodology emphasizing cross-functional collaboration and speed to market
"industrial robot"	a programmable, multi-joint automation machine replacing human labor in hazardous or repetitive tasks; smart industrial robot refers to models with sensory feedback for autonomous decision-making
"integrated robot drive-control unit"	a compact hardware module that combines both motion control and power drive functions in one integrated system

"IP67"	an ingress protection rating indicating dust-tight sealing and water immersion resistance up to 1 meter for 30 minutes
"laser seam positioning"	a vision-based technique using laser sensors to locate and track welding seams with sub-millimeter accuracy
"Lighthouse Factory"	a manufacturing facility recognized by the World Economic Forum for adopting advanced intelligent manufacturing technologies
"lightweight robot"	a compact and agile robot, often with four or six axes, designed for applications in tight spaces and with low payload requirements
"MINI Series"	a six-axis lightweight robot product line optimized for precision and IP67-level environmental protection
"modular architecture"	a design principle that enables flexible robot configuration by combining standardized functional modules
"motion controller"	a device that sends precise commands to servo systems to control speed, position, and movement paths
"motion control system"	a system comprising a motion controller generating trajectory commands and a servo control system executing commands to drive motion tasks
"motion PLC"	motion programmable logic controller, a hybrid controller combining motion control with logic processing, compatible with industrial programming languages
"multi-layer/multi-pass welding"	a welding technique involving sequential layers or passes to achieve strong and thick joints, especially in heavy steel components
"nozzle searching"	an arc welding feature where the robot automatically locates the torch nozzle to ensure accurate welding alignment

"OCV"	open circuit voltage, a diagnostic test that measures the voltage of an electrical cell or module without applying a load, commonly used in battery assembly
"payload"	the maximum weight a robot can carry at its end effector without compromising performance or safety
"PCBA"	printed circuit board assembly, the final assembled circuit board with all components mounted and tested, ready for integration into devices
"PC-based controller"	a motion controller built on an industrial-grade personal computer, integrating control and computing functions in a compact unit
"predictive maintenance"	a proactive servicing method that uses sensors and data analysis to detect and prevent failures before they occur
"process software package"	specialized software installed on robots to support specific tasks such as arc welding, palletizing, or bending with embedded logic and sensor integration
"protective epoxy resin potting"	encasing electronic components in epoxy resin to protect them from moisture, dust, and mechanical stress during operation
"radiation fin"	heat-dissipating components attached to devices or electronic parts to efficiently release heat into the surrounding environment
"regenerative braking technology"	a system that recovers energy generated during braking and feeds it back into the system, helping to reduce total energy consumption
"repeat positioning accuracy"	the ability of a robot to return to a previously taught position with minimal deviation, measured in millimeters
"SCARA Series"	Selective Compliance Assembly Robot Arm, a four-axis robot product line known for high-speed, horizontal motion in pick-and-place and soldering applications
"servo drive"	a device that receives motion commands from the controller and regulates the power sent to the servo motor

"servo system"	a system consisting of a servo drive and motor, enabling precise control of position, speed, and torque for connected mechanical components
"SMT"	surface-mount technology, a method for placing and soldering miniature electronic components directly onto the surface of a PCB
"SPI"	solder paste inspection, an optical inspection method used after solder paste is applied to a PCB, ensuring correct deposition before SMT placement
"spot welding"	a resistance welding method for joining two metal surfaces at localized points using heat generated from electric current
"stamping robot"	a robot built for automated press operations, capable of handling large sheets and operating at high strokes per minute
"torch-cleaning station"	an automated station that cleans welding torches during operation to maintain weld quality and extend equipment life
"torque ripple"	fluctuations in the torque output of a motor
"trajectory repeatability"	a measure of how closely a robot can repeat the same path over multiple cycles
"turnkey production line"	a fully integrated manufacturing solution delivered ready for operation, including robots, controls, and auxiliary equipment
"TÜV"	Technischer Überwachungsverein, German organizations known as Technical Inspection Associations, which provide product testing, inspection, and certification services to ensure compliance with safety, quality, and regulatory standards
"UL"	Underwriters Laboratories, a global safety certification company based in the United States that develops standards and provides testing and certification services to ensure products meet rigorous safety requirements

"ultra-heavy-duty robot"	an industrial robot with a payload exceeding 280kg, used for applications like die-casting or large-scale material handling
"Welding Automation System"	an independent production system combining welding robots and peripheral equipment for welding tasks
"welding robot"	a programmable, multi-axis automation machine with a welding or cutting torch at its end-effector, performing welding, cutting, or thermal spraying

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

This prospectus contains forward-looking statements and information relating to us and our subsidiaries that are based on the intentions, beliefs, expectations or predictions of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would,” “vision,” “aspire,” “target,” “schedules,” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this prospectus, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationships with, and the actions and developments affecting, our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain our market leading position;
- the actions and developments of our competitors;
- our ability to effectively contain costs and optimize pricing;

- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our product and geographic expansion plans;
- our ability to defend our intellectual property rights and protect confidentiality;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, including those pertaining to the PRC and the industry and markets in which we operate;
- capital market developments; and
- all other risks and uncertainties described in the section headed "Risk Factors" in this prospectus.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed "Risk Factors" in this prospectus.

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

An investment in our H Shares involves various risks. You should carefully consider all the information in this prospectus and in particular the risks and uncertainties described below before making an investment in our H Shares.

The occurrence of any of the following events could materially and adversely affect our business performance, financial condition, results of operations or prospects. If any of these events occur, the trading price of our H Shares could decline and you may lose all or part of your investment. You should seek professional advice from your relevant advisers regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

The demand in the end markets of our industry is constantly changing. If we are unable to respond effectively to these changes, our business, results of operations and financial condition will be materially and adversely affected.

Our business primarily focuses on R&D, manufacturing and sales of industrial robots and intelligent manufacturing systems, along with core automation components and motion control systems. Our industrial robots and intelligent manufacturing systems are widely used across industries such as automotive, photovoltaics, lithium battery, construction materials and electronics. The core automation components and motion control systems serve as key automation enablers for a wide range of intelligent equipment, including but not limited to CNC metal forming machines, robots, photovoltaic and lithium battery equipment, electronics and packaging machinery.

Demand for our products is closely linked to capital expenditure cycles and business performance in downstream industries such as construction machinery, heavy industry, automotive, new energy and electronics. For example, when customers in these sectors reduce or delay their investment in production capacity, their procurement of industrial robots and intelligent manufacturing systems may slow down. During the Track Record Period, our financial results deteriorated due to the downturn in our downstream industries, particularly construction machinery and heavy industry, and photovoltaics. See "Business — Deteriorating Financial Performance" for details. In addition, rapid technological changes, intensified market competition, fluctuations in the supply and pricing of key components, as well as broader macroeconomic conditions such as interest rate movements or trade tensions, can all directly influence customer purchasing decisions and the pace of industrial robotics adoption. If the market for industrial robotics products does not develop as we expected or develops more slowly than we expected, our business, results of operations and financial condition will be adversely affected.

Our global operations expose us to risks and complexities across multiple jurisdictions.

Our revenue generated from overseas markets were RMB1,312.2 million, RMB1,594.4 million, RMB1,369.6 million, RMB1,139.3 million and RMB1,117.7 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively, accounting for 33.8%, 34.3%, 34.2%, 33.8% and 29.4% of our total revenue for the same periods, respectively. We expect to continue leveraging our global footprint as part of our long-term strategy, which may subject us to a range of risks associated with diverse macroeconomic, political, regulatory and social environments. In each of these jurisdictions, we may face challenges such as navigating differing legal systems, adapting to regulatory and industry standards, and complying with complex and evolving local requirements. In particular, fluctuations in exchange rates, customs regulations, trade policies, labor laws, and changes in foreign investment controls could adversely affect our operational efficiency and cost structure.

Additionally, managing geographically dispersed teams across different time zones, languages and cultures increases the complexity of coordinating our operations and maintaining consistent quality and compliance standards. Political instability, geopolitical tensions, or other disruptions, such as labor unrest or supply chain interruptions, in any of the regions where we operate could also impair our ability to manufacture, distribute or deliver products in a timely and cost-effective manner. If we are unable to effectively address and manage these international operational risks, our business, financial condition, and results of operations could be materially and adversely affected.

We may not be able to successfully compete in the global industrial robotic solutions market.

The global industrial robotic solutions market is competitive. We primarily compete with other companies that focus on the R&D, manufacturing and sales of industrial robotics products. If we do not have or in the future obtain more financial resources, leading technological capabilities and broader customer base than our competitors, we may not be able to more quickly and effectively respond to new or changing opportunities, technologies, regulatory requirements or customer demand than our competitors.

We may also face competition with new entrants, who may offer more affordable and/or advanced products, and thus increase the level of competition in the future. Increased competition could result in lower sales volume, price reductions, shrunk profit margins or loss of market share. Further, we may be required to make substantial additional investments in R&D, sales and marketing, talents recruitment and retention, and acquisition of technologies complementary to, or necessary for, our current and future products in order to respond to such competitive threats, and we cannot assure you that such investments will be effective. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, results of operations and financial condition may be materially and adversely affected.

Developments in alternative technologies and products may adversely affect the demand for our industrial robotics products.

The industrial robotic solutions market is evolving at a rapid pace, driven by advances in sensor technology, artificial intelligence and next-generation control architectures. Our industrial robots, engineered for high-precision, high-efficiency tasks such as welding, assembly, material handling and flexible sorting, must continually integrate cutting-edge sensors and control algorithms to maintain safety, accuracy, and throughput in demanding factory environments. Should we fail to anticipate or invest sufficiently in these innovations, or if our R&D efforts do not yield commercially viable enhancements on a timely basis, our products could quickly fall behind competing offerings. Moreover, alternative automation technologies, such as fully automated systems that don't rely on traditional robotic arms, like autonomous mobile robots, could emerge. These alternatives may offer similar or even better performance, faster deployment, or lower operational costs. For example, an autonomous mobile robot could transport materials around a factory floor without the need for fixed robotic arms or extensive infrastructure. Such advancements could make our solutions less attractive to customers, or in some cases, obsolete for certain tasks. If we are unable to adapt our product roadmap to meet shifting customer preferences or compete effectively against innovators with better resources, we could experience reduced market share, diminished revenue growth, increased R&D costs to catch up, and potential loss of key technical talent. Any of these outcomes would have a material and adverse effect on our business, results of operations, financial condition, and long-term prospects.

Our investments and acquisitions may not achieve the intended benefits and may expose us to various operational, financial, and regulatory risks.

We have made, and may continue to make, strategic investments and acquisitions to expand our capabilities, access new technologies, enhance our product portfolio, or enter new markets within the industrial robotic solutions industry. See "Future Plans and Use of Proceeds." These transactions are subject to various risks and uncertainties, and there can be no assurance that they will generate the expected benefits or returns.

The success of any such transaction depends on numerous factors, including the target's ability to meet performance expectations, integration of personnel, systems and operations, alignment of strategic goals, and realization of anticipated synergies. We may encounter difficulties in business integration, incur unanticipated costs, or fail to achieve the intended business objectives, such as accelerating innovation, improving market position, or securing supply chains. These challenges could divert management attention and resources from our existing business operations.

In addition, many acquisitions or strategic investments may require regulatory approvals or compliance with applicable laws and regulations, including those in the PRC. These requirements may increase the complexity and cost of transactions and could result in delays or failure to consummate certain deals. We may also be exposed to unknown or contingent liabilities of acquired businesses, including those arising from historical legal proceedings, contractual obligations, or regulatory non-compliance, for which we may not be fully indemnified, if at all.

Acquisitions and investments may also involve significant capital outlays, the issuance of equity securities that could dilute existing shareholders, or the assumption of debt, any of which could adversely impact our financial position. Any failure to realize the anticipated benefits from investments and acquisitions could materially and adversely affect our business, financial condition, and results of operations. In the event acquired assets or businesses underperform or market conditions deteriorate, we may be required to recognize impairment charges related to goodwill or other intangible assets. See "— Risks Relating to Financial, Accounting and Tax Matters — Investments, acquisitions and divestures may affect our financial results. We may not be able to achieve our anticipated benefits and synergistic effects from such investments and acquisitions."

We face risks associated with our supply chain, including procurement disruptions, price volatility, and quality control issues, which may materially and adversely affect our business, results of operations and financial condition.

We source key components and equipment critical to our production. Our procurement primarily includes reducers, valve blocks, large non-standard fabricated components, as well as tooling and fixture equipment. Our costs of raw materials and components were RMB2,180.8 million, RMB2,719.6 million, RMB2,347.7 million, RMB1,963.0 million and RMB2,279.8 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively, accounting for 83.7%, 85.1%, 81.7%, 83.0% and 83.4% of our total cost of sales for the same periods, respectively. Our supply chain is exposed to numerous risks, including supply shortages, extended lead times, price volatility, and quality inconsistencies, all of which may adversely impact our ability to meet production schedules, control costs, and deliver products to our customers as expected.

The prices and availability of the materials and parts we procure are influenced by various factors beyond our control, such as fluctuations in commodity prices, shifts in supply and demand dynamics, inflation, logistics costs, changes in environmental or trade regulations, and geopolitical instability. For example, disruptions in upstream supply chains or sudden surges in demand for critical components, such as semiconductors, industrial-grade metals, or automation sensors, could significantly raise our procurement costs and delay production timelines. We may not be able to fully pass on these cost increases to our customers, which could negatively affect our margins and profitability. Our supply chain may also be subject to geopolitical risks. For example, we might import certain electronic components from the United States. Although these products are not currently subject to trade restrictions or export controls imposed by the U.S. or other jurisdictions, we cannot guarantee that such risks will not arise in the future.

In addition, we depend on the performance and compliance of our suppliers. Any failure by our suppliers to meet our technical specifications, quality standards, delivery schedules, or compliance expectations, such as adherence to environmental and labor regulations, could result in production delays, increased rework or warranty costs, reputational damage, or even regulatory penalties. If any of our key suppliers experience financial distress, legal challenges, or operational disruptions, or if we are unable to maintain or replace such relationships on acceptable terms, our operations could be significantly affected.

We may face risks if there are quality issues with our products.

Our industrial robotic products are integral to the precision, safety, and efficiency of modern manufacturing operations. Given their critical role in high-stakes industrial environments, product reliability and safety are paramount to our business. During the Track Record Period, no significant product quality or safety incidents were reported. Nevertheless, the complexity of industrial robotics products, coupled with extended product lifespans and reliance on interconnected components, introduces inherent challenges in ensuring flawless long-term performance. Despite rigorous testing, undetected defects in hardware, software, or parts supplied by third parties could compromise system functionality, disrupt the operations of our customers, or pose safety hazards. Such issues may result in reputational damage, loss of customer trust, order cancellations, or costly recalls. In severe cases, defective products could trigger legal claims from affected parties, particularly if malfunctions lead to workplace injuries or production downtime.

In addition, the quality of parts, components and/or products manufactured by our suppliers that we incorporate into our industrial robotics products is beyond our control. We cannot assure you that the parts, components and/or products we procure from them are safe and free of defects or can meet the relevant quality standards. Resource actions may prove delayed, insufficient, or unenforceable due to supplier financial instability or contractual limitations. We primarily depend on the quality control procedures of our suppliers. In the event of any quality issues, we could be subject to complaints and product liability claims and we may not be able to seek indemnification from them. If we engage in legal proceedings against our suppliers, such proceedings may be time-consuming and costly regardless of the outcomes. Any of the foregoing incidents may materially and adversely affect our business, results of operations and financial condition.

Our expansion into new products and solutions or industry verticals may not be successful and may expose us to additional risks.

As part of our growth strategy, we have been and may continue to develop and introduce new products and solutions, as well as explore applications of our products and solutions into various industry verticals. While such initiatives are intended to enhance our market position, address evolving customer needs, and capture new growth opportunities, they also subject us to a range of risks and uncertainties. We may lack sufficient experience, capabilities, or market insights in certain new areas, which could hinder our ability to effectively compete or adapt to specific customer preferences, technological requirements, or supply chain dynamics. There can be no assurance that our new products, services, or business lines will be successfully launched, gain market acceptance, or achieve the intended business or financial performance. We may fail to accurately anticipate market conditions or underestimate the intensity of competition from existing or more established players in these areas.

Moreover, expansion into new markets or industry verticals often involves increased R&D investment, operational complexity, and heightened demands on our internal resources and management bandwidth. We may also face difficulty in hiring and retaining qualified personnel with the relevant expertise or in scaling our risk management, compliance, and IT systems in time to support such growth. We may further be subject to unfamiliar regulatory requirements or approval processes specific to new products, services, or markets, and failure to comply or adapt in a timely manner could adversely affect our expansion efforts. Additionally, our innovations may be imitated by competitors, limiting the commercial viability or lifecycle of our new offerings.

If we are unable to successfully manage the risks and challenges associated with launching new products or entering new verticals, we may not achieve the expected returns on our investments, which could materially and adversely affect our business prospects, results of operations and financial condition.

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

Our success in the industrial robotic solutions industry relies heavily on our ability to retain long-term relationships with existing customers while continually expanding our customer base. The majority of our top five largest customers in each period during the Track Record Period had commenced their cooperation with us prior to or at the beginning of our Track Record Period. See "Business — Our Customers — Our Five Largest Customers" for details. Many of our customers evaluate our products and solutions based on their specific operational needs. As such, there is no assurance that satisfied customers will place repeat orders or remain loyal to our brand. Our ability to maintain and grow our customer base depends on multiple factors, including (i) the performance, reliability, and cost-effectiveness of our automation solutions, (ii) the adaptability of our offerings to evolving industry demands, (iii) the strength and responsiveness of our technical support, and (iv) our capacity to demonstrate continuous innovation through product upgrades and system optimization. Additionally, intensified market competition, particularly from companies with longer operating histories and deeper customer ties, may erode our market share or limit our ability to command favorable pricing.

Further, changes in the macroeconomic or industry-specific environment, such as downturns in key sectors we serve, such as automotive, electronics, lithium battery, or photovoltaic, shifts in customer procurement priorities, or delays in capital expenditure by our customers, could negatively affect order volume or customer renewal decisions. Should we fail to provide compelling value propositions, retain high customer satisfaction, or effectively penetrate new market segments, our revenue growth and profitability could be significantly impacted.

We face operational, capacity and safety risks related to our production facilities, which may adversely affect our business and results of operations.

Our production facilities are critical to the manufacture of our industrial robotics products and the execution of our business strategy. See "Business — Manufacturing" for details of our production facilities. However, we are exposed to various operational and safety risks in our production processes that may disrupt our operations or impair our ability to meet customer demands. These risks include, among others: (i) accidents, equipment failures or management errors during production; (ii) shortages or disruptions of essential utilities such as electricity, water, gas or telecommunications; (iii) natural disasters such as floods, earthquakes, fires, or typhoons; (iv) public health emergencies or epidemics; and (v) social unrest, labor disputes or shortages of skilled workers. The occurrence of any such events could result in the temporary shutdown or reduced output of our facilities, damage to equipment, environmental liabilities, bodily injury, reputational harm, or legal claims, any of which could materially and adversely affect our operations, financial performance and customer relationships.

We may not always be able to accurately predict demand or align our production capacity accordingly. Overcapacity may result in underutilized resources and pressure on profit margins, while under-capacity may limit our ability to fulfill customer orders or achieve business growth. We have undertaken and may continue to pursue production capacity expansion plans, including the construction or conversion of production lines or facilities to support new product models, technological upgrades or geographic diversification. Such projects are subject to risks including delays, cost overruns, regulatory hurdles, or failure to meet quality or process requirements. Our ability to complete these expansions as scheduled and within budget is critical to maintaining our competitive edge and fulfilling projected growth.

Furthermore, our production activities are subject to stringent legal and regulatory requirements concerning occupational safety, environmental protection and health standards. Non-compliance with such regulations or incidents causing harm to people, property or the environment may lead to government enforcement actions, fines, production suspensions, or reputational damage. In addition, our insurance coverage may not be adequate to fully offset the losses incurred. Any prolonged or substantial interruption to our production capacity could materially and adversely affect our business, results of operations, financial condition and prospects.

We may not be able to adequately protect our intellectual property rights or prevent third-party infringements, which could adversely affect our business, competitiveness and financial condition.

Our ability to maintain a competitive edge in the industrial robotic solutions industry depends significantly on our intellectual property portfolio, including patents, trademarks, copyrights, proprietary technologies, know-how, domain names and other intellectual property rights. See "Business — Intellectual Property" for details of our intellectual property portfolio. We rely on a combination of intellectual property laws, contractual protections and internal policies to safeguard our rights. However, these measures may not always be effective or sufficient.

Our intellectual property may be challenged, invalidated, circumvented or misappropriated by others. We cannot assure you that our patent applications will be granted, or that any registered rights will offer adequate protection or remain enforceable in all jurisdictions. The level of protection afforded to intellectual property varies significantly across different regions, and some countries may not offer the same degree of enforcement as others. We may encounter infringement or misappropriation of our intellectual property by third parties, including competitors copying our designs, technologies, or software without authorization. Brand imitation and counterfeiting may also damage our reputation, particularly as our products gain recognition in the market. Enforcement actions initiated by us to address intellectual property infringements may be time-consuming, costly, and subject to uncertain outcomes. In some cases, our legal actions may not result in a favorable judgment, and we could even risk losing rights if our patents or trademarks are challenged and found to be invalid or unenforceable.

In addition, we may be subject to allegations or legal claims from third parties asserting that our products or technologies infringe their intellectual property rights. We could be required to defend ourselves in litigation, pay damages, or cease the manufacture and sale of certain products. We may also be obligated to indemnify customers, business partners or other stakeholders in the event their use of our products results in infringement claims. We cannot guarantee that all third-party components or technologies we use are free from infringement issues. If any products provided by suppliers are found to infringe third-party rights, we may be exposed to litigation, reputational damage, or be unable to recover associated costs.

Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses, we cannot assure 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, and/or 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, and/or non-compete covenants in a way that unduly benefits us.

If we are unable to adequately protect our intellectual property rights, or if we are found to infringe the intellectual property rights of others, our brand, competitive position, business operations and financial condition could be materially and adversely affected.

Our insurance coverage may not be sufficient to cover all losses, which may increase our costs of operation.

Our current insurance includes, among others, property insurance and cargo transportation insurance. See “Business — Insurance.” We do not, however, carry insurance for certain risks that we believe are not insurable under industry norm, or which are not on commercially acceptable terms, if at all, such as those caused by war, tsunami, various environmental pollution, acts of terrorism, labor strikes and civil unrest. Accordingly, there can be no assurance that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. Any damage to our properties, such as fixed assets and inventories, that are not covered by insurance may result in substantial losses for us. Nevertheless, we would remain obliged for any bank borrowings or other financial obligations related to these damaged properties. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be adversely affected.

RISKS RELATING TO FINANCIAL, ACCOUNTING AND TAX MATTERS

We incurred net loss in 2024. Our operating history may not be a reliable predictor of our prospects and future results of operations.

While we recorded profit for the year of RMB183.6 million and RMB133.6 million in 2022 and 2023, respectively, we incurred net loss for the year of RMB817.7 million in 2024. We returned to profit for the period of RMB29.7 million in the first nine months of 2025, as compared to loss for the period of RMB62.2 million in the same period of 2024. See "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss" for reasons of fluctuations in our profit or loss for the year. To improve our gross profit and gross profit margin, we plan to enhance pricing controls and allocate more resources to higher-value orders in order to maintain margin stability. In parallel, we will actively expand our presence in overseas markets and accelerate the development of new products to strengthen product differentiation and competitiveness. By fast-tracking the global rollout of high-quality, high-barrier industrial robotics products, we aim to build a more resilient and profitable product portfolio. Additionally, we will implement initiatives in managing our cost and enhancing efficiency, such as optimizing our supply chain, increasing the adoption of domestically sourced raw material alternatives, and applying lean manufacturing practices. Nevertheless, there can be no assurance that these efforts will successfully lead us to achieve profitability in the future.

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

We recorded net cash used in operating activities of RMB104.0 million in 2024. We cannot assure you that we will always be able to generate positive cash flows from operating activities in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial performance. Our future liquidity primarily depends on our ability to achieve positive cash flows from our operating activities and adequate external financing such as offering and issuing securities, or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, such as conditions, restrictive covenants or interest rates, or at all, our ability to meet our payment obligations may be significantly affected and may not be able to expand our business.

Investments, acquisitions and divestitures may affect our financial results. We may not be able to achieve our anticipated benefits and synergistic effects from such investments and acquisitions.

Our financial results could be adversely affected by our investments or acquisitions. We have in the past acquired or invested in assets, technologies or businesses that are complementary to our existing business. We expect to continue to evaluate and consider a wide array of potential strategic transactions as part of our overall business strategy, including potential acquisitions of businesses, technologies, services, products and other assets, as well as strategic investments, joint ventures and alliances.

The investments and acquired assets or businesses may not generate the financial results we expect. They could result in occurrence of significant investments and goodwill impairment charges. Goodwill arising on the acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment. As of December 31, 2022, 2023 and 2024 and September 30, 2025, we recorded goodwill of RMB1,485.7 million, RMB1,485.7 million, RMB1,104.1 million and RMB1,044.6 million, respectively. We measure goodwill for impairment annually. There are inherent uncertainties relating to the factors in relation to the assessment of goodwill impairment that might adversely affect our business operation, or under circumstances where we might fail to sustain the growth as well as the gross profit margin we have estimated. For details regarding our accounting treatment of goodwill, see "Financial Information — Material Accounting Policies and Critical Accounting Judgements and Estimates — Material Accounting Policies — Goodwill." In 2024, we incurred impairment losses on goodwill of RMB344.9 million. Our impairment losses on goodwill were primarily due to the underperformance of certain subsidiaries, driven by reduced demand from specific downstream sectors, including heavy industry. This decline reflected an industry-wide slowdown, leading to revenue of these subsidiaries falling short of expectations and negatively affecting our projected future cash flows. See "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss — Impairment Losses on Intangible Assets and Goodwill." We cannot assure you that we will not recognize impairment charges in the future. If we need to recognize material impairment of goodwill, our net profit in the corresponding period might be substantially affected. In addition, any impairment on goodwill may negatively affect our financial position and limit our ability to pursue financing activities, as it could weaken key financial ratios.

We may be required to record a significant charge to earnings if our intangible assets or other long-term assets become impaired.

Under IFRS, long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, right-of-use assets and intangible assets with finite useful lives are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Factors that may be considered a change in circumstances indicating that the carrying amount of our intangible assets may not be recoverable include a decline in market price of such assets, slower growth rates or other adverse changes in our industry and the macroeconomic conditions, and if such assets become idle or obsolete.

We may need to record a significant charge to earnings in our financial statements during the period in which we determine that our intangible assets or other long-term assets have been impaired. Any such charge would adversely impact our results of operations. As of December 31, 2022, 2023 and 2024 and September 30, 2025, the net carrying amount of our intangible assets was RMB455.1 million, RMB553.4 million, RMB560.5 million and RMB560.5 million, respectively. We recognized impairment losses on intangible assets of RMB15.6 million in 2024.

We may be subject to credit risk related to delay in payment and defaults of customers, which would adversely affect our liquidity and financial condition.

Our trade receivables primarily arise from contracts with customers. The credit terms we grant customers vary depending on the type of product, typically up to six months. The balance of our trade receivables was RMB1,329.1 million, RMB1,707.2 million, RMB1,921.5 million and RMB2,103.1 million, as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively, which represented our maximum exposure as of the respective dates to credit risk in relation to trade receivables. We recognized loss allowance of trade receivables of RMB79.7 million, RMB109.7 million, RMB144.9 million and RMB127.8 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. The collection of amounts due from our customers may not be timely. This might result in slow turnover of our trade and bill receivables and restrict our working capital resources. The turnover days of our trade and bill receivables were 135 days, 160 days, 215 days and 180 days in 2022, 2023, 2024 and the first nine months of 2025, respectively. See "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Trade and Other Receivables." If we fail to receive payments from our customers on a timely basis, our cash flow and financial position could be adversely affected. In addition, disputes that arise due to default in payment by customers may also be time-consuming and costly for us in the event we decide to claim such payments, and we may not be successful, in which case our liquidity, results of operations and financial performance may be adversely affected.

If we fail to manage our inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

Our inventories primarily include (i) raw materials, (ii) work in progress, (iii) finished goods, (iv) goods in transit, (v) goods delivered to customers, and (vi) contract costs. As of December 31, 2022, 2023 and 2024 and September 30, 2025, the balances of our inventories amounted to RMB1,130.5 million, RMB1,340.2 million, RMB1,721.0 million and RMB1,446.2 million, respectively. Our inventory turnover days were 138 days, 141 days, 194 days and 158 days in 2022, 2023, 2024 and the first nine months of 2025, respectively. The increase in our inventory turnover days from 2023 to 2024 was primarily driven by our proactive strategy of maintaining higher inventory levels of certain general-purpose models to promptly meet the needs of our key account customers and ensure operational readiness. The decrease in our inventory turnover days from 2024 to the first nine months of 2025 was mainly due to our enhanced management of finished goods inventory. However, we may not be able to effectively manage our inventory level or to identify any excessive build-up or insufficient stock of inventory in our global operations. We may misjudge market demand. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, and the sale of excess inventory at discounted prices could impair the image of our brands and harm our gross margin. As of December 31, 2022, 2023 and 2024 and September 30, 2025, our write-down of inventories amounted to RMB58.1 million, RMB74.3 million, RMB112.5 million and RMB104.5 million, respectively. See "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Inventories." However, if we underestimate the demand for our products, insufficient stock could result in delays in the shipment of our products, thereby impacting our ability to generate sales and causing damages to our reputation and relationships with our customers. Therefore, failure to maintain optimal inventory levels could increase our inventory holding costs or cause us to lose sales, either of which could adversely impact our business, financial condition and results of operations.

We had a prolonged cash conversion cycle during the Track Record Period, and our cash flow may fluctuate due to our mismanagement of inventory and/or customers' payment practices.

During the Track Record Period, our suppliers generally granted us credit periods ranging from three to six months upon receipt of the VAT invoices. In addition, to promptly meet the needs of our key account customers and ensure operational readiness, we adopted a strategy of maintaining higher inventory levels of certain general-purpose models. As significant expenditures are required upfront for raw materials, components, and other production-related costs, we typically incur net operating cash outflows during the initial stages of the production cycle, and it is uncertain when such operating cash flows will transition from net outflows to cumulative net inflows due to variations in the payment schedules of our customers. During the Track Record Period, our cash conversion cycle, a metric measuring the efficiency of our working capital management, was 137 days, 124 days, 161 days and 126 days in 2022, 2023, 2024 and the nine months ended September 30, 2025. Given that our cash conversion cycle is relatively long, if we fail to effectively manage our inventory levels or if there are delays in customers' payment schedules compared to expectations, we may not have sufficient and timely cash inflows to cover our financial obligations. We rely on the prompt settlement of invoices to meet our payment obligations to suppliers. If there is a significant timing mismatch between the receipt of payments from our customers and the payment of procurement costs, and we are unable to effectively manage fluctuations in our operating cash flow, our operating cash flow position and, in turn, our business, results of operations, and financial condition, could be materially and adversely affected.

Failure to obtain or maintain any of the government grants could adversely affect our business, results of operations, financial condition and prospects.

During the Track Record Period, government grants recognized under other income primarily represent operating subsidies and the amortization of government grants related to capital expenditures. The government grants we recognized as other income were RMB39.7 million, RMB41.1 million, RMB38.9 million, RMB31.0 million and RMB17.8 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively. The PRC governmental authorities may decide to reduce or cancel such government grants or require us to repay part or all of the government grants we previously received, which could adversely affect our business, results of operations and financial condition. As these government grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or benefiting from them in the future. In addition, we may not be able to successfully or timely obtain the government grants that may become available to us in the future, and such failure could adversely affect our business, results of operations and financial condition.

We are exposed to changes in the fair value of our financial assets measured at fair value. Fluctuations in their values would affect our results of operations and financial condition.

Our financial assets measured at FVPL comprise investments that are not held for trading, including investments in unlisted equity securities and unlisted units in investment funds, as well as investments in wealth management products. As of December 31, 2022, 2023 and 2024 and September 30, 2025, the carrying amount of our financial assets measured at FVPL was RMB840.3 million, RMB727.4 million, RMB602.6 million and RMB391.3 million, respectively. Our financial assets measured at FVOCI comprise investments in unlisted equity securities. We also recorded financial assets measured at FVOCI of RMB134.5 million, RMB141.4 million, RMB180.2 million and RMB173.3 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. Fair values of financial assets at FVPL and financial assets at FVOCI are determined based on quoted prices in active markets, other market-observable inputs, or unobservable inputs using valuation techniques. See Notes 17 and 18 to the Accountants' Report as set out in Appendix I to this prospectus.

For financial assets measured at FVPL and FVOCI, factors beyond our control can significantly influence and cause adverse changes to the market-observable inputs that we use and thereby affect the fair value of such financial assets. These factors include, but are not limited to, general economic conditions, changes in market interest rates, stability of the capital markets, shifts in our creditworthiness and other market-driven variables. Any of factors could cause the fair values to fluctuate or our estimates to vary from actual results, which could materially and adversely affect our results of operation and financial condition. Additionally, judgment and estimation are required in establishing the relevant valuation techniques where market-observable data for certain financial assets are not readily available, which inherently involves a certain degree of uncertainty. Changes in assumptions relating to our valuation could result in material adjustments to the fair value of such financial assets, which may have a material adverse effect on our financial position and results of operations.

Our future capital expenditure on property, plant and equipment may result in an increase in our depreciation expenses and may affect our profitability.

We have recorded a significant amount of property, plant and equipment. As of December 31, 2022, 2023 and 2024 and September 30, 2025, the carrying amount of our property, plant and equipment amounted to RMB916.2 million, RMB1,321.8 million, RMB1,513.3 million and RMB1,554.7 million, respectively. Our depreciation of property, plant and equipment were

RMB62.7 million, RMB71.4 million, RMB93.5 million and RMB77.4 million in 2022, 2023, 2024 and the first nine months of 2025, respectively. As part of our business strategies to enhance our production capabilities, we plan to expand our manufacturing capacities in both China and overseas, and our investment is expected to cover land acquisition, the construction of new facilities, and the procurement of advanced production equipment. See "Future Plans and Use of Proceeds" for details. We expect these investments will result in additional annual depreciation charges, which may have a material adverse effect on our financial position and results of operations.

Our interest-bearing indebtedness exposes us to interest rate risk and our level of indebtedness may prevent us from meeting relevant obligations under our indebtedness, which may adversely affect our ability to raise additional capital to fund operations.

During the Track Record Period, we had certain borrowings to finance our business operations and capital expenditures. We expect that we may continue to do so in the future and our liquidity risk may increase. As of December 31, 2022, 2023 and 2024 and September 30, 2025, our bank loans and other borrowings were RMB2,883.4 million, RMB4,214.6 million, RMB4,722.0 million and RMB4,436.7 million, respectively. The effective interest rates on our bank loans ranged from 0.0% to 6.43% during the Track Record Period. Certain bank loans during this period were linked to LIBOR, and fluctuations in LIBOR caused the interest rates on these loans to decrease to zero. See "Financial Information — Indebtedness and Contingent Liabilities — Bank Loans and Other Borrowings."

We are exposed to interest rate risk resulting from interest rate fluctuations for our long-term debt obligations with a floating interest rate. Rising interest rates could increase interest expenses relating to our outstanding floating-rate borrowings, which could materially and adversely affect our business, results of operations, financial condition and prospects.

High indebtedness levels could necessitate a greater allocation of our cash flow towards principal and interest repayments, limiting funds available for working capital and strategic initiatives. Additionally, it may constrain our flexibility in adapting to industry changes or pursuing new opportunities, restrict access to further financing, and heighten our exposure to interest rate fluctuations and unforeseen adverse events. Additionally, restrictive covenants in the indebtedness may further limit our capacity to raise additional debt or equity financing, potentially leading to defaults that could accelerate repayment obligations, jeopardizing our financial stability. If we fail to manage our indebtedness properly, our business, results of operations and financial condition may be materially and adversely impacted.

Our loan agreements may have included arrangements that impose material and adverse effects on our financial condition, results of operations, cash flows and business prospects.

We enter into loan agreements to finance our business activities including acquisitions. See "Financial Information — Indebtedness and Contingent Liabilities — Bank Loans and Other Borrowings" for the details of our bank borrowings. Our loan agreements may contain financial and other covenants that require us to maintain certain financial ratios or impose certain restrictions on the disposition of our assets or the conduct of our business. In addition, the utilization of the remaining balance of these secured banking facilities is subject to certain conditions, including time limits and certain financial performance requirements. Furthermore, such loan agreements also include, and our future loan agreements may include, certain restrictive covenants whereby we may be required to obtain approval from our lenders to, among other things, incur additional debt, pledge assets, undertake guarantee obligations and dispose of or sell assets. If we are not granted such approvals, we may not be able to obtain additional financing or conduct certain other business activities that may be viewed as favorable to us, and we cannot assure you that our financial resources will be adequate to support our operations, and our financial condition, results of operations, cash flows and business prospects may be materially and adversely affected. During the Track Record Period and up to the Latest Practicable Date, we have complied with the major covenants in our loan agreements.

We are subject to risk in our interests in associates and if our associates do not perform as expected or do not generate sufficient revenue in any financial period, our financial condition or results of operations could be materially and adversely affected.

During the Track Record Period, we invested in certain associates, which were accounted for using the equity method. As of December 31, 2022, 2023 and 2024 and September 30, 2025, the balances of our interests in associates were RMB52.6 million, RMB85.3 million, RMB46.3 million and RMB263.9 million, respectively. If our associates do not perform as expected or do not generate sufficient revenue in any financial period, our return of interests in our associates, and our financial condition or results of operations, could be materially and adversely affected.

Our interests in associates are subject to a variety of factors that may adversely affect their performance, many of which are beyond our control. These include general economic conditions that may reduce demand or increase operational challenges, fluctuations in interest rates that can impact borrowing costs and profitability, and the availability of financing which may affect the associates' ability to maintain or grow their operations. In addition, supply and demand imbalances in relevant markets may lead to volatility or business disruptions. Even if our associates report profits under equity accounting, there is no assurance that these will translate into actual cash flow for us, especially in the absence of declared dividends. Furthermore, strategic misalignment or financial difficulties faced by other shareholders in these associates may also negatively impact our investment.

We may require additional capital to support our business growth, and failure to obtain such financing on acceptable terms or at all could adversely affect our operations and financial condition.

We may require additional capital resources in the future to support the continued development of our business, particularly in connection with expanding our manufacturing capabilities, investing in R&D, upgrading our technological infrastructure, entering new markets, or pursuing strategic acquisitions and partnerships. Our need for additional capital could arise from factors beyond our control or not currently anticipated, including changes in market conditions, regulatory developments, or competitive pressures. If our available resources are insufficient to satisfy our capital requirements, we may need to seek additional financing through public or private offerings of equity or debt securities, bank loans, or other sources. There can be no assurance that we will be able to obtain such financing on favorable terms or at all. If we are unable to raise the necessary funds, we may be forced to delay, reduce or eliminate certain aspects of our operations, including planned expansion, technology upgrades or other strategic initiatives. Such outcomes could materially and adversely affect our business, financial condition and results of operations.

In addition, any issuance of additional equity or equity-linked securities could dilute the ownership interests of our existing Shareholders. Further, if we incur additional indebtedness, we may become subject to restrictive covenants that limit our operational flexibility, including our ability to pay dividends, incur additional debt, or make certain investments and acquisitions. Increased debt obligations could also result in higher interest payments and financial risk. Accordingly, our ability to secure future financing as needed will be crucial to maintaining and growing our competitive position in the industrial robotics industry.

Fluctuations in exchange rates may result in foreign currency exchange losses and may have a material adverse effect on your investment.

As we operate a part of our business in certain countries and regions outside of Chinese Mainland, and have debts and cash denominated in foreign currencies, we are exposed to risks associated with foreign currency exchange fluctuations. Certain of our income from overseas sales is denominated in foreign currencies such as USD and EUR. In managing the foreign exchange risks, we may engage in foreign exchange hedging transactions with financial institutions to mitigate and manage exchange rate risks. These transactions may include forward foreign exchange contracts, foreign exchange swaps, currency swaps, foreign exchange options and other foreign exchange derivative instruments. We may maintain or further enhance our hedging policies in the future. However, the effectiveness of these hedging measures may be limited, and we may not be able to adequately cover our foreign exchange exposure or at all. We recorded net foreign exchange losses of RMB2.5 million and RMB7.0 million in 2023 and the first nine months of 2025. It is difficult for us to predict how external factors may impact the exchange rate of RMB to USD, EUR or other foreign currencies in the future. Further appreciation of RMB against foreign currencies may affect our overseas operations.

On the other hand, if we decide to convert our RMB into Hong Kong dollars for dividends payment on our H Shares or for other business purposes, any depreciation of RMB against the Hong Kong dollar would have a negative effect on the value of, and any dividends payable on, our H Shares.

RISKS RELATING TO OUR OPERATIONS

Our ability to maintain a skilled and stable workforce is critical to our innovation, competitiveness, and operational success.

Our business relies heavily on a team of experienced engineers, technical specialists, and industry-savvy managers who possess deep expertise in industrial robotic technologies. These individuals play a central role in driving product development, managing complex deployment processes, and delivering high-value solutions to our customers. The demand for such specialized talent is high and continues to intensify across the industry.

We face ongoing competition from both domestic and international companies seeking to recruit from a limited pool of qualified professionals. In addition, the rapid pace of technological advancement in our sector requires continual upskilling and adaptability, making retention and ongoing development of talent both a strategic priority and a risk.

Our efforts in motivating our employees and building an inclusive corporate culture may not always suffice to retain key personnel or attract new talent at the pace required by our growth trajectory. Any significant attrition, particularly within our R&D, product development, or technical support teams, could delay project timelines, impact product quality, or reduce our ability to respond swiftly to market demands. Such disruptions could materially and adversely affect our business operations, innovation pipeline, and financial results.

We rely on a balanced direct sales and distribution strategy to drive growth, and any failure to manage these channels effectively could adversely and materially impact our business and results of operations.

Our sales network includes both direct sales channels and distributors, each playing a critical role in expanding market coverage, supporting customer relationships, and driving the adoption of our industrial robotic solutions. See "Business — Sales and Marketing" for details. The effectiveness of this multi-channel approach depends on our ability to maintain productive relationships with existing distributors, onboard qualified new partners, and ensure consistent performance across our sales channels.

Distributors are instrumental in penetrating diverse markets, but they may vary in their ability to market, install, and support our products. There were 62, 75, 102 and 103 distributors who contributed to our revenue in 2022, 2023, 2024 and the first nine months of 2025, respectively. If any distributor fails to perform, reduces its purchase volume, violates contractual terms, or fails to align with our brand standards, it may disrupt our market presence, harm our reputation, or lead to inventory accumulation. At the same time, we operate direct sales channels that require close customer engagement and tailored solution design. Failure to maintain strong relationships with direct customers or to manage potential channel conflicts between direct sales and distributors, such as price competition or customer overlap, may undermine the efficiency of our sales organization.

As we continue to scale, we may face challenges in harmonizing incentives, avoiding internal competition, and adapting to evolving customer preferences or regulatory changes. Any misalignment or inefficiency in our channel strategy could adversely affect our sales performance, financial condition, and long-term growth prospects.

Environmental, social, and governance matters may impact our business and reputation.

In addition to the importance of their financial performance, companies are increasingly being evaluated by their performance on a variety of environmental, social, and governance ("**ESG**") matters, which are considered to contribute to the long-term sustainability of their companies' performance. A variety of organizations measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the Company's efforts and impacts, including impacts associated with suppliers or other partners, on climate change, ethics and compliance with law, diversity, and the role of the Board in supervising various sustainability issues.

In light of investors' increasing focus on ESG matters, there can be no assurance that we will manage such issues successfully, or that we will successfully meet society's expectations as to our proper role. Any failure or perceived failure by us in this regard could have a material adverse effect on our reputation and on our operation results, including the sustainability of our business over time.

Changes in international trade and investment policies, and escalations of tensions in international relations could materially and adversely impact our business and operating results.

As we continue to expand our global footprint, our business operations and financial performance may be influenced by international trade and investment policies, export controls, and economic or trade sanctions. Countries impose, modify, and remove tariffs and other trade restrictions in response to a diverse array of factors, including global and national economic and political conditions, which make it difficult to predict future developments regarding tariffs and other trade restrictions. Notably, in April 2025, the U.S. government adopted a two-tier tariff structure, and several countries or jurisdictions, including China, also announced higher tariff rates on U.S. goods entering their borders. As of the Latest Practicable Date, China and the U.S. had agreed a truce to lower import taxes on goods being traded between the two countries. However, it is possible that additional trade policy measures, including new tariffs, import/export restrictions, or technology controls, may be implemented. Any such developments could create additional challenges for companies with a global presence like ours.

Throughout the Track Record Period, we generated an insignificant portion of revenue from the U.S. However, we have not exported any products directly from Chinese Mainland to the U.S., and products sold in the U.S. are usually manufactured in Europe. During the Track Record Period, some of our products incorporate a low level of U.S.-origin electronics. We also used few U.S.-branded manufacturing equipment, which have fallen into disuse since 2024. That said, our International Sanctions Legal Advisers have advised that our sales activities during the Track Record Period should not give rise to material risks under U.S. export controls, because the Group's products sold worldwide do not incorporate more than a *de minimis* level of controlled U.S. items, nor are they subject to the Export Administration Regulations by virtue of being foreign direct products of U.S. technologies. Therefore, our Directors believe that recent geopolitical developments and U.S.-China trade tensions have not had a material impact on our operational or financial performance.

While the U.S. market does not constitute a significant portion of our overall financial performance, and we do not expect any material change in the near future, we have implemented measures to mitigate the impact of U.S. tariffs. In particular, we have increased local value-added activities in the U.S. to lower the proportion of imported components subject to tariffs. In addition, we have refined our customs declaration procedures to ensure that tariff assessments apply only to specific components covered by the relevant tariff codes, rather than to the entire product. At the same time, we are actively expanding our presence in the European market, such as by establishing local manufacturing facilities, to better manage and mitigate potential impacts from U.S.-China trade tensions.

In October 2025, MOFCOM announced in Announcement No.61 of 2025(《2025年第61號公告》) and Announcement No. 62 of 2025 (《2025年第62號公告》) (the "**Announcements**"), stipulating that export licenses will be required for the export of Chinese-origin rare earth materials and technologies used in rare earth mining and processing. Specifically, according to the Announcements, export license applications intended for or potentially used for military or terrorist final purposes will, in principle, not be approved. In addition, export license applications for rare earth materials used in certain highly advanced technologies, including logic chips at 14 nanometers or below, storage chips with 256 layers or more, and production equipment, testing equipment, and materials for the aforementioned semiconductors, will be subject to case-by-case review. Moreover, the MOFCOM has stated that all compliant export license applications intended for civilian purposes will be approved. On October 30, 2025, China agreed to suspend the implementation of the Announcements for one year. We use rare earth elements in our in-house production processes conducted in Chinese Mainland. A limited number of components imported from overseas, including from the U.S., may contain certain rare earth elements. However, we have already identified readily available substitutes for these components in the event of supply disruption. Accordingly, we believe that the recent developments in China's export control measures on rare earths are not expected to have a material adverse impact on our production or procurement.

The U.S. and other jurisdictions or organizations, including the EU, the UK, the UN and Canada, have, through executive orders, legislations or other governmental means, implemented measures that impose economic and trade sanctions against certain countries or regions or against targeted industry sectors, groups of companies or persons and/or organizations within such countries or regions. The extent and scope of such sanctions may escalate. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, raw materials, or components that may be critical to our business operations. Any uncertainties or changes in current or future restrictions or regulations could adversely affect our reputation and business.

The potential introduction of additional or expanded restrictions by relevant jurisdictions could materially and adversely affect our business operations. For example, on October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the "Outbound Rule," which came into effect on January 2, 2025. The Outbound Rule imposes investment prohibition and notification requirements for certain types of outbound investments made by U.S. persons in certain entities associated with a country of concern who are involved in specified activities in certain sensitive sectors, collectively defined as "Covered Foreign Persons." The Outbound Rule identifies three sensitive sectors: semiconductors and microelectronics, quantum information technologies and artificial intelligence. As advised by our International Sanctions Legal Advisers, we are likely to be deemed a "Covered Foreign Person" due to our business activities, specifically those related to the development of AI systems intended to be integrated in industrial robots. That said, based on the advice of our International Sanctions Legal Advisers as to the Outbound Rule, a U.S. person's investment into us, including the purchase of H Shares through the Global Offering, should not constitute a prohibited transaction. This is due to the fact that our AI systems are not developed for the prohibited end uses (i.e., military, government intelligence or mass-suveillance), nor do they meet the computing power thresholds. U.S. persons would be required to notify the U.S. Department of Treasury of their participation in the Global Offering. Following the completion of the Global Offering, it is expected that U.S. persons will be able to invest in our H Shares based on the publicly traded securities exception under the Outbound Rule as long as the investment made does not afford a U.S. person certain rights that are not standard minority shareholder protections. However, the Outbound Rule nonetheless may increase the compliance burden of U.S. investors and may cause certain U.S. investors to adopt a more cautious approach in their investments, affecting the investor sentiment towards us, and therefore negatively impacting our ability to raise capital. Additionally, the trading price of our H Shares may be materially and adversely affected. Moreover, the relevant laws, regulations, and policies continue to evolve and we cannot rule out potential amendments to the Outbound Rule that further restrict U.S. person investment. If our ability to raise such capital is significantly and negatively affected, it could materially and adversely impact our business, financial condition and prospects.

Our business growth and results of operations may be affected by changes in global and regional macroeconomic conditions, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Uncertainties about global economic conditions and regulatory changes and other factors including fluctuation of interest rates, inflation level, unemployment, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors may pose risks and materially and adversely affect demand for our products. In addition, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola or Zika, acts of war, terrorism or other force majeure events beyond our control may disrupt our R&D, manufacturing, marketing activities and other business operations, all of which could adversely affect our business, results of operations, financial condition and prospects.

Failure to comply with PRC laws and regulations in relation to social insurance premium and housing provident funds may subject us to penalties and have an adverse impact on our financial conditions and results of operations.

PRC laws and regulations require us to participate in various employee benefit plans, including social insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance and the housing provident fund. According to the applicable PRC laws and regulations, employers must open social insurance registration accounts and housing provident fund accounts and pay social insurance premiums and housing provident fund contributions in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to the maximum amounts specified by the local governments.

During the Track Record Period, we did not fully comply with the rules and regulations in relation to social insurance and housing provident fund, which may subject us to liabilities and/or penalties. We did not make full social insurance and housing provident fund contributions for certain of our employees as required by relevant laws and regulations, and certain of our subsidiaries engaged third-party agents to social insurance and housing provident fund for some of their employees, which are not in strict compliance with the applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we were not imposed any administrative penalties as a result of our non-compliance with PRC laws and regulations in relation to social insurance and housing provident fund. Our PRC Legal Advisors are of the view that the likelihood of us being subject to centralized collection of the outstanding historical social insurance and housing provident fund contributions and any material penalties due to the failure to provide such contributions in full amount for our employees is remote, according to the applicable regulatory policies, provided no claims or complaints are filed against us by our employees and no significant changes in existing laws, regulations, policies, or implementation or supervision requirements of the relevant government authorities.

We cannot assure you that the relevant government authorities will not impose new requirements on us according to laws, regulations or local policies published by the relevant government authorities in the future, such as ordering us to make supplemental social insurance and housing provident fund contributions, imposing late fees or fines on us or ordering us to take other measures, any of which may materially and adversely affect our business, financial condition and results of operations.

Failure to comply with PRC property-related laws and regulations regarding certain of our leased properties may adversely affect our business, financial condition and results of operations.

As of the Latest Practicable Date, our 88 lease agreements failed to be registered with the relevant PRC government authorities. As advised by our PRC Legal Advisors, failure to register an executed lease agreement will not affect its validity. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. See "Business — Property" for details.

We may be subject to legal proceedings or disputes that could result in significant costs, divert management attention, and harm our reputation and financial performance.

In the ordinary course of our operations in the industrial robotic solutions industry, we may from time to time be involved in legal proceedings, contractual disputes, claims, or regulatory investigations initiated by customers, suppliers, employees, competitors, or government authorities. These proceedings may include, but are not limited to, allegations of product defects, contractual breaches, employment issues, or intellectual property disputes. The outcome of any legal or administrative proceeding can be inherently uncertain and may not always be resolved in our favor.

Even unfounded or immaterial claims may require significant resources to defend and could result in costly settlements, fines, or operational restrictions. In some cases, litigation may result in changes to our business practices, product offerings, or licensing arrangements. Furthermore, any unfavorable judgment or protracted legal dispute could divert management's attention, disrupt operations, and damage our reputation with customers and business partners.

Additionally, we may, at times, need to initiate legal actions to enforce our rights. However, the effectiveness of such efforts may be limited by the complexity and unpredictability of the legal and regulatory systems, particularly in jurisdictions where we have limited operational history or where enforcement may be inconsistent. If any material litigation or regulatory proceeding were to arise or escalate, the impact on our financial condition, operating results, and public perception could be significant.

Our ability to build and protect our brand and reputation is critical to our growth, and any harm to our brand or reputation could adversely affect our business, financial condition, and prospects.

In the industrial robotic solutions industry, brand recognition and trust play a crucial role in customer decision-making, especially given the critical nature of industrial robotic solutions and the significant investment typically involved. Our future growth and competitive positioning depend substantially on our ability to develop and maintain a reputable, differentiated brand that is associated with technological reliability, innovation, and quality service. However, we are a relatively young company compared to certain industry players with significantly longer operating histories, broader market recognition, and more established brand equity. These incumbents may be perceived as more stable or credible partners by customers, especially in conservative or highly regulated sectors, making it more challenging for us to win new contracts or retain clients in competitive tenders.

Our brand and reputation are also inherently vulnerable to factors that are difficult to predict or control. Any negative publicity, whether arising from actual or perceived issues related to our products, services, customer experience, leadership team, or business partners, could quickly erode customer confidence. For instance, product malfunctions, delays in delivery, or safety incidents could result in unfavorable comparisons with competitors, undermine our credibility, and reduce customer willingness to engage with us. In today's digital environment, reputational damage can be amplified rapidly through social media and online platforms. Even baseless claims, unfair competitor tactics, or isolated incidents can disproportionately impact stakeholder perceptions. Additionally, reputational harm suffered by suppliers, distributors, or other third parties associated with our brand may reflect poorly on us, regardless of our direct involvement.

We invest in branding, marketing, customer engagement, and after-sales support to strengthen our market position, but there is no assurance these efforts will be successful or sufficient. If we fail to maintain and grow our brand reputation, it could limit our ability to attract customers, form strategic partnerships, recruit top talent, and ultimately, affect our business performance and long-term prospects.

If our current and future infrastructure, internal systems, operational processes, and control measures are unable to support our continuous business expansion, our business and prospects may be materially and adversely affected.

Our business has been growing in recent years. As we expand our product portfolio, customer base and geographical coverage, we will need to work with a larger number of suppliers and partners efficiently. We also need to continuously enhance and upgrade our infrastructure and technology, optimize our supplier management, refine our reporting systems and operational procedures, expand our employee base, train and incentivize our employees, and improve our internal control. All these efforts will require significant managerial, financial and human resources. We cannot assure you that such efforts will be successful. We cannot assure you that our current and future infrastructure, internal systems, operational procedures and internal control measures will be adequate and successful to support our expanding business or that our strategies and new business initiatives will be executed successfully. In addition, changes and developments taking place in industries that we operate in may also require us to re-evaluate our business model and adopt material changes to our long-term strategies and business plans. Our failure to adapt to these changes and developments and innovate may have a material adverse effect on our business, financial condition and results of operations. Even if we adapt to these changes and developments and innovate, we may nevertheless fail to realize the anticipated benefits of changes due to these measures, or our profitability may be harmed as a result.

Our compliance and risk management systems may not be sufficient to protect us from credit, market, liquidity, operation and other risks.

Given our global business operations, we must comply with a broad range of legal and regulatory requirements in multiple jurisdictions and local operational business processes. We have established compliance and risk management systems that support our operational business processes to comply with laws and regulations. However, there can be no assurance that our compliance and risk management systems are adequate to address all applicable risks in every jurisdiction. Similarly, we can provide no assurance that such internal controls and systems of joint ventures and other business partners can be aligned with our own, and we may have to rely on their internal controls and systems for the compliance of their business practices.

In addition, the policies we have put in place to prevent direct or indirect acts of corruption, bribery, anti-competitive behavior, money laundering, breaches of sanctions, fraud, deception, tax evasion and other criminal or improper conduct may be insufficient to prevent such non-compliance.

The occurrence of any of these risks may result in reputational damages and material adverse legal consequences, including without limited to suspension or revocation of our relevant licenses related to business operation, revocation of qualifications of our management or employees, the imposition of fines or sanctions and penalties on us or the members of our management or employees and could lead to the assertion of damages claims by third parties or to other detrimental legal consequences, including civil and criminal penalties. If any of these risks were to materialize, this could also have a material adverse effect on our business, financial condition and results of operations, reputation or prospects.

Our operations rely on IT systems and networks, and any IT system failures, network disruptions or cybersecurity breaches may affect our business.

We rely extensively on IT systems, some of which are supported by third-party vendors, to manage and operate our business. If these systems malfunction, cease or experience interruptions in normal operations, experience security breaches or do not provide the anticipated benefits, our ability to manage our operations could be impaired, which could have an adverse impact on our operations and financial condition. If the software installed on the computers used by us and our employees is not properly authorized or licensed, we may be subject to claims or litigations from software vendors. We may be subject to IT system failures or network disruptions caused by natural disasters, accidents, power disruptions, telecom failures, acts of terrorism or war, computer viruses, physical or electronic break-ins or other events. We have business continuity and disaster recovery ability, which may not be sufficient for managing operational disruptions resulting from circumstances beyond our control.

Our IT systems may be subject to computer viruses, malicious codes, unauthorized access, phishing and other cyberattacks. We continue to assess potential threats and adopt proper measures to address these threats. However, because the techniques used in these cyberattacks change frequently and may be difficult to detect for periods of time, we may face difficulties in implementing adequate preventative measures. To date, we have seen no material impact on our business or operations from these attacks. However, we cannot guarantee that our efforts will prevent attacks or breakdowns to our or our third-party providers' databases or systems. If the IT systems, networks or service providers we rely upon fail to function properly and we do not effectively address these failures on a timely basis, we may be exposed to business harm as well as litigation and regulatory action, including administrative fines, which could adversely affect our business and financial condition.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Changes in economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines in the countries where the Company operates could have an adverse effect on our business, financial condition and results of operations.

Our business, financial condition and results of operations may be influenced by the economic, regulatory, political and social conditions in the country where we operate. Governments have implemented, and may continue to introduce, among others, various policies and measures to encourage economic growth and guide the allocation of resources. The industrial robotic solutions industry in general is affected by macro-economic factors, including international, national, regional and local economic conditions, trade relationships, employment levels, customer demand and discretionary spending. Any changes in these factors may have a material and adverse effect on our business, financial condition and results of operations.

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

The legal systems of the geographic markets where we operate 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 are consistently evolving. Laws and regulations that have recently been 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 still needs further clarification. 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. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards, which may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal interpretations, some of which may have retroactive effects. 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 depending on the complexity of the cases.

Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Developments in current laws or regulations or the imposition of new laws and regulations in our geographic markets may affect the growth of our industries and affect our business, financial condition and results of operations.

Filing with the CSRC may be required in connection with our capital raising activities, and we cannot predict whether we will be able to complete such filing.

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures and five relevant guidelines, which became effective on March 31, 2023. The Overseas Listing Trial Measures require, among others, that PRC domestic companies that seek to initially offer and list securities in overseas markets, either directly or indirectly, file the required documents with the CSRC within three business days after its application for overseas listing is submitted. For details, see "Regulatory Overview — Laws and Regulations Relating to Overseas Listings."

We are required to comply with the filing procedures of the CSRC within a specific time limit as required by the Overseas Listing Trial Measures, the failure of which may restrict our ability to complete the proposed Listing. We may be subject to approval, filing or other requirements by other PRC government authorities under the PRC laws in the future. Any failure to complete the relevant procedures may have an adverse effect on our capital raising activities.

Our business is subject to a variety of laws, rules, policies and other obligations regarding data protection domestically and aboard. Any losses or unauthorized access to or unauthorized releases of confidential information and personal data could subject us to significant reputational, financial, legal and operational consequences.

Our business involves the utilization and storage of confidential information, including but not limited to personal information with respect to our employees. We are subject to laws relating to the collection, use, retention, protection and transfer of personal information domestically and aboard. In many cases, these laws apply not only to third-party transactions, but also may restrict transfers of personal information between us and our overseas subsidiaries. Several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing overseas requirements may cause us to incur substantial costs or require us to change our business practices. Non-compliance could result in significant penalties or legal liability. Any failure by us to comply with other domestic and foreign privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others, which may lead to reputational impacts and significant legal liabilities.

We have implemented systems and processes intended to secure our information technology systems and prevent unauthorized access to or loss of sensitive data, including through the use of encryption and authentication technologies. As with all companies, these security measures may not be sufficient for all eventualities and may be vulnerable to hacking, employee error, malfeasance, system error, faulty password management or other non-compliant incidents.

We are subject to the currency exchange regulatory system.

The conversion of RMB into foreign currencies should be in compliance with relevant laws and regulations. We receive the vast majority of our revenue in Renminbi. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency, or otherwise satisfy our foreign currency denominated obligations. Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demand, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of China.

You may experience difficulties in effecting service of the legal process upon us and our management and seeking recognition and enforcement of judgments against them across jurisdictions.

The legal systems across different jurisdictions vary significantly. Therefore, the effecting service of legal process and the process of recognizing and enforcing any judgments may be different across jurisdictions and are subject to treaties or arrangements providing for the recognition and enforcement of judgments made by courts of other jurisdictions. As a result, investors may experience difficulties to effect service of process and/or recognize and enforce any judgments for disputes brought in other jurisdictions.

We are a company incorporated under the laws of the PRC, and the majority of our assets are located in the PRC. Substantially all of our Directors and senior management reside within the PRC, and the assets of our Directors and senior management are likely to be located within China. As a result, it may be difficult for you to effect service of process within Hong Kong, the United States or elsewhere outside the Chinese Mainland upon us or these persons, or to bring an action in Hong Kong against us or these individuals. Moreover, the PRC has not entered into treaties with certain other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards.

An original action may only be brought in the PRC against us or our Directors and senior management if the actions are not required to be arbitrated by the PRC laws and upon satisfaction of the conditions for commencing a cause of action pursuant to the civil procedure laws in the PRC.

Investors of our H Shares may become subject to PRC taxation on dividends received from us and gains from the disposition of our H Shares.

Individual holders of H Shares who are not residents of Chinese Mainland and whose names appear on the register of members of H Shares (the "**Non-PRC Resident Individual Holders**"), are subject to PRC individual income tax on dividends received from us. Pursuant to the *Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045* (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) dated June 28, 2011 and issued by the STA, the tax rate applicable to dividends paid to Non-PRC Resident Individual Holders of H Shares varies from 5% to 20% (usually 10%), depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the Non-PRC Resident Individual Holder of H Shares resides, as well as the tax arrangement between the Chinese Mainland and Hong Kong. Non-PRC Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. Meanwhile, under the *Individual Income Tax Law of the PRC* (《中華人民共和國個人所得稅法》) and its implementation 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 Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares* (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the MOF and the STA on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. Any collection of such tax in the future may materially and adversely affect the value of such individual holders' investments in H Shares.

Under the *Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》) (the "EIT Law") and its implementation regulations, a non-PRC resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to its PRC-sourced income, including dividends derived from a PRC company and gains derived from the disposition of equity interests in a PRC company. This rate may be reduced under applicable double tax treaty or arrangement between the PRC and the jurisdiction in which the non-PRC resident enterprise resides. Pursuant to the *Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in the PRC to Non-resident Enterprises Holding H-shares of the 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》) promulgated by the STA on November 6, 2008, we intend to withhold tax at 10% from dividends payable to non-PRC resident enterprise holders of H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to a reduced withholding rate under an applicable tax treaty or arrangement could apply to the PRC tax authority for a refund of the excessive amount withheld, and payment of such refund will be subject to the approval from the PRC tax authority. There is room for discretion as to the interpretation and implementation of the EIT Law and its implementation rules by the PRC tax authorities, regarding whether and how enterprise income tax on gains derived upon the sale or other disposition of H Shares will be collected from non-PRC resident enterprise holders of H Shares. If such tax is collected, the value of such non-PRC resident enterprise holders' investments in H Shares may be materially and adversely affected

Our offshore subsidiaries may be treated as a resident enterprise for PRC tax purposes.

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

As our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, the competent regulatory authorities may request EIT at 25% on such our offshore subsidiaries' global income, except that the dividends they receive from our Chinese Mainland subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes "dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise." Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a "PRC resident enterprise" for such purposes. The EIT on our subsidiaries' global income could significantly increase our tax burden and affect our cash flows and profitability.

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

The EIT Law imposes a tax rate of 25% on business enterprises. Our Company and some of our subsidiaries are entitled to preferential tax treatment. For example, several of our subsidiaries in Chinese Mainland have been qualified as high-tech enterprises or engaged in policy-encouraged businesses. Accordingly, they were entitled to a preferential income tax rate of 15% during the Track Record Period. For details, see "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss — Income Tax." 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 government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with the tax laws and regulations in Chinese Mainland may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to tax laws and regulations in Chinese Mainland and tax penalties or fines could affect our businesses, financial condition and results of operations.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. 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 invest 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 authorities. 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 payable is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS 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, 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 flow 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 GLOBAL OFFERING

We will be concurrently subject to listing and regulatory requirements of Chinese Mainland and Hong Kong.

As our A Shares are listed on the Shenzhen Stock Exchange and our H Shares will be listed on the Main Board of the Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless 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.

Following the Global Offering, our A Shares will continue to be traded on the Main Board of the Shenzhen Stock Exchange and our H Shares will be traded 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 trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have different trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading 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 price 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 investment decision in our H Shares.

Enforcement of certain share pledges by our Controlling Shareholder in case of default under the relevant facilities could materially and adversely affect the prevailing market price of our Shares, and could have a negative impact on our business, operation and financial results.

As of the Latest Practicable Date, to secure the obligations under financial loans provided by a financial institution to Nanjing Primest's subsidiary, Nanjing Primest pledged 11,000,000 A Shares in our Company in favour of lending financial institution (the "**Share Pledge**"). See "Substantial Shareholders." As of the Latest Practicable Date, our Controlling Shareholders Group, including Mr. Wu, Mr. Wu Kan (son of Mr. Wu), Ms. Liu Fang (劉芳) (spouse of Mr. Wu) and Nanjing Primest, was able to exercise approximately 42.15% voting rights in our Company and will be beneficially interested in approximately 37.94% of the issued share capital of our Company immediately upon the completion of the Global Offering (assuming that the Over-allotment Option is not exercised). In the unlikely event of default by Nanjing Primest under the Share Pledge and if there is no alternative source of funding available to Nanjing Primest to repay relevant amounts, the Share Pledge may be enforced, which will have a material adverse impact on our shareholding structure. The above may also result in sales or a perception of the likelihood of sales of our Shares in the market which could have a material and adverse effect on the market price of our 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 Global Offering, 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 Global Offering. In addition, the Offer Price of our H Shares is the result of negotiations between the Sponsor- Overall Coordinator (for itself and on behalf of the Underwriters) and us, and may not be an indication of the market price at which our H Shares will be traded following the completion of the Global Offering. If an active public market for our H Shares does not develop following the completion of the Global Offering, the market price and liquidity of our H Shares may be materially and adversely affected.

As the Offer Price of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the Global Offering, purchasers of our H Shares in the Global Offering may experience an immediate dilution.

Our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per Share of their H Shares. Purchasers of our H Shares in the Global Offering will experience an immediate dilution.

There can be no assurance that if we were to immediately liquidate after the Global Offering, any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional H Shares in the future. Purchasers of Offer Shares may experience dilution in the net tangible assets value per Share of their H Shares if we issue additional H Shares in the future at a price which is lower than the net tangible assets value per Share at that time.

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

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 price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume 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 changes in price 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. For example, on December 28, 2023 and April 19, 2024, Estun

Intelligent, one of our subsidiaries, entered into two share purchase agreements with external investors and our Company, among others, pursuant to which Estun Intelligent issued shares with redemption rights, liquidity preferences and anti-dilution rights to the external investors for a total cash consideration of RMB380.0 million and RMB35.0 million respectively. Under the share purchase agreements, the external investors have the option to exit their investment by September 30, 2027, which can be achieved either through a qualified IPO of Estun Intelligent or by requiring our Company to conduct a private placement of new shares to purchase their equity interests in Estun Intelligent. For further details, please refer to "Financial Information — Indebtedness and Contingent Liabilities — Indebtedness." 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 market price of our H Shares.

In addition, while investors subscribing shares in the Global Offering are not subject to any restrictions on the disposal of the H Shares they subscribed, 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 Global Offering 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 Listing Date. Any sale of the H Shares subscribed by such investors 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.

We have declared dividends in the past. However, 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 IFRS. 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 Main Board of the Shenzhen Stock Exchange.

As our A Shares are listed on the Main Board 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 Main Board of 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 Global Offering. The presentation of financial and operational information for the Track Record Period disclosed on the Main Board of the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this prospectus. As a result, prospective investors in our H Shares should be reminded that, in making their investment decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this prospectus. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus and any formal announcements made by us in Hong Kong with respect to the Global Offering.

You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media regarding us, our H Shares or the Global Offering.

Prior or subsequent to the publication of this prospectus, there may have been or be press and media coverage regarding us and the Global Offering. We have not authorized the disclosure of any such information in the press or media. Financial information, financial projections, valuation and other information about us contained in such unauthorized press or media coverage may not truly reflect what is disclosed in the prospectus or the actual circumstances. We do not accept any responsibility for such unauthorized press or media coverage, or for the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information. To the extent any such information appearing in the press and media is inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

The information in this prospectus derived from official government sources has not been independently verified.

Certain facts, forecasts and other statistics in this prospectus relating to China and global economy and the industrial robotics products in China and overseas markets are derived from various sources including official government publications, industry associations or the Industry Report, which we believe are reliable. The information derived from official government sources has not been independently verified by us, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries any of the Underwriters, any of our and their respective directors, supervisors, officers, representatives, employees or advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its completeness, accuracy or fairness. Accordingly, the information from official government sources contained herein may not be accurate and should not be unduly relied upon.

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

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

In preparation for the Global Offering, our Company has sought and has been granted the following waivers from strict compliance with the relevant provisions of the Listing Rules and the following exemptions from strict compliance with the Companies (Winding Up & Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our headquarters are based in the PRC, and most of our business operations are managed and conducted outside of Hong Kong. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

(a) we have appointed Mr. WU Kan (吳侃) and Ms. POON Pui Man Hera (潘霈民) as our authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;

(b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the Authorized Representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number and email address) of all Directors to facilitate communication with the Hong Kong Stock Exchange; all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period upon the request of the Hong Kong Stock Exchange;

(c) we have appointed Maxa Capital Limited as our compliance adviser (the "**Compliance Adviser**") upon Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. The Compliance Adviser will have access at all times to the Authorized Representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available; and

(d) meetings between the Hong Kong Stock Exchange and our Directors can be arranged through the Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 of the Guide, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under Rule 3.28(1) of the Listing Rules) nor Relevant Experience (as defined under Rule 3.28(2) of the Listing Rules) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to Chapter 3.10 of the Guide, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. XIAO Tingting (肖婷婷) ("**Ms. Xiao**"), who joined our Group in April 2022 and is our secretary to the Board, as one of our joint company secretaries. She has extensive experience in corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules. While Ms. Xiao may not be able to solely fulfill the requirements of the Listing Rules, our Directors consider Ms. Xiao a suitable individual to act as a joint company secretary and believe that such appointment would be in the best interests of our Company and of the corporate governance of our Group due to her thorough understanding of the internal administration and business operation of our Group. Accordingly, we have appointed Ms. POON Pui Man Hera (潘霈民) ("**Ms. Poon**"), a solicitor as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong), 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, to act as the other joint company secretary and to provide assistance to Ms. Xiao for an initial period of three years from the Listing Date to enable Ms. Xiao to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. For more details of Ms. Xiao and Ms. Poon's biographical information, please refer to the section headed "Directors and Senior Management — Joint Company Secretaries."

Given Ms. Poon's professional qualification and experience, she will be able to explain to both Ms. Xiao and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Poon will also assist Ms. Xiao in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Poon is expected to work closely with Ms. Xiao and will maintain regular contact with Ms. Xiao. In addition, Ms. Xiao will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance her knowledge of the Listing Rules during the three-year period from the Listing Date. She will also be assisted by our compliance adviser and our legal advisor as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. Xiao does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such Ms. Xiao may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the Listing Date on the conditions that (a) Ms. Xiao must be assisted by Ms. Poon who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules; (b) before the end of the three-year period, our Company must demonstrate and seek the Stock Exchange's confirmation that Ms. Xiao (i.e. the proposed company secretary not fulfilling the requirement under Rule 3.28), having had the benefit of Ms. Poon's (i.e. the qualified person) assistance during the three-year period, has attained the relevant experience under note 2 to Rule 3.28 and is capable of discharging the functions of a company secretary so that a further waiver would not be necessary; and (c) the waiver will be revoked immediately if and when Ms. Poon ceases to provide assistance to Ms. Xiao as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Ms. Xiao will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Ms. Xiao, having benefited from the assistance of Ms. Poon for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of the issuer either in his or its own name or through nominees if the conditions in Rules 10.03(1) and (2) of the Listing Rules are fulfilled. It is provided in Rule 10.03(1) of the Listing Rules that no securities may be offered to existing shareholders on a preferential basis and no preferential treatment may be given to them in the allocation of the securities; and in Rule 10.03(2) that the minimum prescribed percentage of public shareholders required by Rule 8.08(1) must be achieved.

Paragraph 1C of Appendix F1 to the Listing Rules provides that no allocations will be permitted to the existing shareholders of the applicant or their close associates, whether in their own names or through nominees, in the Global Offering unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled. Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will consider giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant's existing shareholders or their close associates to participate in an initial public offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Prior to the Listing, our Company's share capital comprises entirely A Shares listed on the Shenzhen Stock Exchange. We have a large and widely dispersed public A Share shareholder base.

We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders who (i) hold less than 5% of the total number of A Shares in issue of our Company prior to the completion of the Global Offering and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of our Company or the close associates of any such core connected person (together, the "**Existing Minority Shareholders**"), subject to the conditions as follows:

(i) each Existing Minority Shareholder to whom our Company may allocate the H Shares in the International Offering holds less than 5% of the total number of A Shares in issue of our Company before Listing;

(ii) each Existing Minority Shareholder is not, and will not be, a core connected person of our Company or any close associate of any such core connected person immediately prior to or following the Global Offering;

(iii) none of the Existing Minority Shareholders have the right to appoint a Director and/or have any other special rights;

(iv) allocation to the Existing Minority Shareholders or their close associates will not affect our ability to satisfy the public float requirement as prescribed by the Stock Exchange under Rule 8.08 and Rule 19A.13A(2) of the Listing Rules or otherwise approved by the Stock Exchange;

(v) the Sole Sponsor confirms to the Stock Exchange in writing that based on (i) its discussions with our Company and the Sponsor-Overall Coordinator; and (ii) the confirmations provided to the Stock Exchange by our Company and the Sponsor-Overall Coordinator (confirmations (vi) and (vii) mentioned below), and to the best of its knowledge and belief, it has no reason to believe that any of the Existing Minority Shareholders or their close associates received any preferential treatment, or is in a position to exert influence on the Company to obtain actual or perceived preferential treatment in the allocation either as a cornerstone investor or as a place by virtue of their relationship with our Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide, and details of the allocation to the Existing Minority Shareholders holding more than 1% of the issued share capital of the Company immediately prior to the completion of the Global Offering will be disclosed in this prospectus and/or the allotment results announcement, as the case may be;

(vi) our Company will confirm to the Stock Exchange in writing that:

(a) in the case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company, other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide, nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, and the Existing Minority Shareholders or their close associates' cornerstone investment agreements do not contain any material terms which are more favorable to the Existing Minority Shareholders or their close associates than those in other cornerstone investment agreements; or

(b) in the case of participation as placees, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates, nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, by virtue of their relationship with our Company in any allocation in the placing tranche;

(vii) in the case of participation as placees, the Sponsor-Overall Coordinator will confirm to the Stock Exchange that, to the best of its knowledge and belief, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the placing tranche.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules following the completion of the Global Offering. We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirements under the Listing Rules. For further details in this respect, see the section headed "Connected Transactions."

WAIVER IN RESPECT OF THE 2025 SHARE OPTION SCHEME

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

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in the prospectus. Our Company is also required to disclose in the prospectus full details of all outstanding options and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options;

(b) Paragraph 27 of the Appendix D1A of the Listing Rules requires our Company to set out in the prospectus particulars of any capital of any member of our Group which 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 set out in the prospectus, among other things, 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 certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares or debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given.

As of the Latest Practicable Date, our Company granted outstanding options under the 2025 Share Option Scheme to 128 grantees, all of which are employees of our Group, to subscribe for an aggregate of 3,320,000 A Shares, representing approximately 0.34% of the total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the 2025 Share Option Scheme are not exercised), on the terms set out in the paragraph headed "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 4. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in the Appendix VI to this prospectus.

Our Company has applied to (i) the Stock Exchange for 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; and (ii) to 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, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company and the waiver and the exemption would not prejudice the interest of the investing public for the following reasons:

(a) given that 128 grantees are involved in the 2025 Share Option Scheme, the strict compliance with the Share Option Disclosure Requirement in setting out full details of all the grantees under the 2025 Share Option Scheme in this prospectus would be costly and unduly burdensome for our Company because strict compliance with the Share Option Disclosure Requirements to disclose names, addresses, and entitlements on an individual basis for the 128 grantees involved will require substantial number of pages of additional disclosure that does not provide any material information to the investing public and would significantly increase the cost and timing for information compilation, prospectus preparation and seeking consent from each grantee to disclose his/her personal information (including residential address);

(b) as of the Latest Practicable Date, 128 grantees, who are core technology and key personnels of our Company, are granted options to subscribe for an aggregate of 3,320,000 A Shares, representing approximately 0.34% of the total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the 2025 Share Option Scheme are not exercised);

(c) the grant and exercise in full of the options under the 2025 Share Option Scheme will not cause any material adverse impact on the financial position of our Group;

(d) lack of full compliance with the above disclosure requirements would not prevent our Company from providing its potential investors with information for them to make an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group; and

(e) material information relating to the options under the 2025 Share Option Scheme will be disclosed in this prospectus, including the total number of A Shares subject to the 2025 Share Option Scheme, the exercise price per A Share, the potential dilution effect on shareholding, and impact on earnings per A Share upon full exercise of the options granted under the 2025 Share Option Scheme. Our Directors consider that the information that is reasonably necessary for the potential investors to make an informed assessment of our Group in their investment decision making process has been included in this prospectus.

The Stock Exchange has granted us a waiver from strict compliance with the relevant requirements under the Listing Rules on the conditions that:

(a) full details of the options under the 2025 Share Option Scheme granted to each of the Directors, senior management or connected persons of our Company (if any) will be disclosed in the paragraph headed "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 4. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix VI to this prospectus on an individual basis as required under the applicable Share Option Disclosure Requirements;

(b) for the remaining grantees, disclosure will be made, on an aggregate basis, of (i) the aggregate number of grantees and the number of A Shares underlying the options granted to them under the 2025 Share Option Scheme, (ii) the consideration (if any) paid for the grant of the options under the 2025 Share Option Scheme, and (iii) the exercise period and the exercise price for the options granted under the 2025 Share Option Scheme;

(c) there will be disclosure in the paragraph head "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 4. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix VI to this prospectus for the aggregate number of A Shares underlying the options under the 2025 Share Option Scheme and the percentage of our Company's total issued share capital represented by such number of A Shares as at the Latest Practicable Date;

(d) the dilutive effect and impact on earnings per Share upon full exercise of the options under the 2025 Share Option Scheme immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no further shares are issued under the 2025 Share Option Scheme) will be disclosed in the paragraph headed "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 4. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix VI to this prospectus;

(e) a summary of the principal terms of the 2025 Share Option Scheme will be disclosed in the paragraph headed "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 4. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix VI to this prospectus;

(f) the particulars of the waiver and the exemption will be disclosed in this prospectus;

(g) a full list of all the grantees under the 2025 Share Option Scheme, containing all the particulars as required under the applicable Share Option Disclosure Requirements be made available for public inspection in accordance with Appendix VII to this prospectus;

(h) further information relating to the grantees who have been granted options and awards is provided to the Stock Exchange; and

(i) the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The SFC has granted us the 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 subject to the conditions that:

(a) full details of the options granted by the Company under the 2025 Share Option Scheme to each of the Directors, senior management, connected person of the Company are disclosed in "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 4. Employee Incentive Scheme — (a) 2025 Share Option Scheme" in Appendix VI to the prospectus, such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted by the Company under the 2025 Share Option Scheme to grantees other than those set out in (a) above, disclosure is made, on an aggregate basis, categorized into lots based on the number of Shares underlying each individual grantee, being: 1 to 10,000 A Shares, 10,001 to 20,000 A Shares, 20,001 to 30,000 A Shares, 30,001 to 40,000 A shares and 40,001 A Shares or above. For each lot of A Shares under each of the 2025 Share Option Scheme, the following details are disclosed in the prospectus: (1) aggregate number of grantees and number of A Shares subject to the options, (2) the consideration paid for the grant of the options and (3) the exercise period and the exercise price for the options;

(c) a full list of all the grantees (including the persons referred to in (a) above) who have been granted options to subscribe for A Shares under the 2025 Share Option Scheme, containing all the details as required in paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with the section headed "Documents Delivered to the Registrar of Companies in Hong Kong and on Display" in Appendix VII to the prospectus; and

(d) the particulars of the exemption are disclosed in the prospectus and the Company's prospectus will be issued on or before February 27, 2026.

Further details of the 2025 Share Option Scheme are set forth in the paragraph headed "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 4. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix VI to this prospectus.

WAIVER FROM STRICT COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1)(B) IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Rule 4.04(1) of the Listing Rules requires this prospectus to include, among other things, details of the financial results of the company for the financial year immediately preceding the issue of this prospectus, being the year ended December 31, 2025 or such shorter period as may be acceptable to the Stock Exchange.

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires, subject to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, all prospectuses to state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and set out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a company is required to include in the prospectus a statement as to the gross trading income or sales turnover (as may be appropriate) of the company during each of the three financial years immediately preceding the issue of the prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a company is required to include in the prospectus a report by auditors of the listing applicant with respect to profits and losses in respect of each of the three financial years immediately preceding the issue of the prospectus and assets and liabilities of the listing applicant at the last date to which the financial statements of the listing applicant were prepared. Pursuant to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may, subject to such conditions (if any) as the SFC thinks fit, issue a certificate of exemption from compliance with the relevant requirements under Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Chapter 1.1A of the Guide for New Listing Applicants has provided the conditions for granting a waiver from strict compliance with Rule 4.04(1) of the Listing Rules.

The Accountants' Report for each of the three years ended December 31, 2024 and the nine months ended September 30, 2025 has been prepared and is set out in Appendix I to this prospectus.

Pursuant to the relevant requirements set out above, our Company is required to include three full years of audited accounts for the three years ended December 31, 2025 in this prospectus. As such, an application has been made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver has been granted by the Stock Exchange on the conditions that:

(a) this prospectus will be issued on or before February 27, 2026 and the Company's Shares will be listed on or before March 31, 2026, i.e. three months after the latest financial year-end;

(b) in accordance with Chapter 1.1A of the Guide for New Listing Applicants, a profit estimate for the financial year ended December 31, 2025 has been included in this prospectus, in compliance with Rules 11.17 to 11.19 of the Listing Rules and a Directors' statement that there is no material and adverse change to the financial and trading positions or prospects of our Company, with specific reference to the trading results from October 1, 2025 to December 31, 2025; and

(c) our Company obtains a certificate of exemption from the SFC on strict compliance with paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and a certificate of exemption has been granted by the SFC under section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

(a) the particulars of the exemption are disclosed in this prospectus; and

(b) the Prospectus will be issued on or before February 27, 2026 and the Company's H Shares will be listed on the Stock Exchange on or before March 31, 2026, i.e. three months after the latest financial year-end.

The applications to Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance have been made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and the waiver and exemption would not prejudice the interests of the investing public as:

(a) there would not be sufficient time for our Company and the reporting accountants of our Company (the "**Reporting Accountants**") to finalize the audited financial statements for the year ended December 31, 2025 for inclusion in this prospectus. If the financial information for the year ended December 31, 2025 is required to be audited, our Company and the Reporting Accountants would have to carry out substantial volume of work to prepare, update and finalize the Accountants' Report and this prospectus, and the relevant sections of this prospectus will need to be updated to cover such additional period. This would involve additional time and costs since substantial work is required to be carried out for audit purposes. It would be unduly burdensome for the audited results for the year ended December 31, 2025 to be finalized in a short period of time. Our Directors consider that the benefits of such work to the existing and prospective shareholders of our Company may not justify the additional work and expenses involved and the delay of the listing timetable;

(b) our Directors and the Sole Sponsor confirm, after performing sufficient due diligence work up to the date of this prospectus, that there has been no material adverse change to the financial and trading positions or prospects of the Group since October 1, 2025 (immediately following the date of the latest audited statement of financial position in the Accountants' Report as set out in Appendix I to this prospectus) up to the date of this prospectus, and there has been no event since October 1, 2025 which would materially affect the information contained in the Accountants' Report as set out in Appendix I to this prospectus, the financial information section, the profit estimate as set out in Appendix IA to this prospectus and information regarding the Company's recent development subsequent to the Track Record Period and up to the date of this prospectus;

(c) our Company and the Sole Sponsor are of the view that the Accountants' Report covering the three years ended December 31, 2024 and the nine months ended September 30, 2025, together with the profit estimate for the year ended December 31, 2025 (in compliance with Rules 11.17 to 11.19 of the Listing Rules) included in this prospectus have already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record and earnings trend of our Company; and our Directors confirm that all information which is necessary for the investing public to make an informed assessment of the activities, assets and liabilities, financial position, trading position, management and prospects has been included in this prospectus. Therefore, the waiver and exemption would not prejudice the interests of the investing public; and

(d) our Company will comply with the requirements under Rules 13.46(2) and 13.49(1) of the Listing Rules in respect of the publication of our annual results and annual report. Our Company currently expects to issue our annual results and annual report for the financial year ended December 31, 2025 on or before March 31, 2026 and April 30, 2026, respectively. In this regard, our Directors consider that the Shareholders, the investing public as well as potential investors of our Company will be kept informed of the financial results of our Group for the financial year ended December 31, 2025.

WAIVER IN RELATION TO POST-TRACK RECORD PERIOD ACQUISITION

Rules 4.04(2) and 4.04(4) of the Listing Rules require that the new applicant include in its accountants' report the results and balance sheet of any business or subsidiary acquired, agreed or proposed to be acquired, since the date to which its latest audited accounts have been made up, in respect of each of the three financial years immediately preceding the issue of this Prospectus.

Pursuant to note (4) of Rule 4.04(4) of the Listing Rules, the Stock Exchange may consider an application for a waiver of Rules 4.04(2) and 4.04(4) of the Listing Rules taking into account the following factors:

(a) that all the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) are less than 5% by reference to the most recent audited financial year of the new applicant's trading record period;

(b) if the acquisition will be financed by the proceeds raised from a public offer, the new applicant has obtained a certificate of exemption from the SFC in respect of the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and

(c) (i) where a new applicant's principal activities involve the acquisition of equity securities (the Stock Exchange may require further information where securities acquired are unlisted), the new applicant is not able to exercise any control, and does not have any significant influence over the underlying company or business to which Rule 4.04(2) and 4.04(4) of the Listing Rules relate, and has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons. In this regard, "control" means the ability to exercise or control the exercise of 30% (or any amount specified in the Hong Kong Code on Takeovers and Mergers as the level for triggering a mandatory general offer) or more of the voting power at general meeting, or being in a position to control the composition of a majority of the board of directors of the underlying company or business; or

(ii) with respect to an acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (i) above) or a subsidiary by a new applicant, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under Rules 14.58 and 14.60 of the Listing Rules on each acquisition. In this regard, "unduly burdensome" will be assessed based on each new applicant's specific facts and circumstances (e.g. why the financial information of the acquisition target is not available and whether the new applicant or its controlling shareholder has sufficient control or influence over the seller to gain access to the acquisition target's books and records for the purpose of complying with the disclosure requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules).

Background

Acquisition of 1.89% equity interest in Nanjing Chemical Fibre Co., Ltd (南京化纖股份有限公司) ("Nanjing Chemical Fibre")

In November 2024 and May 2025, we respectively entered into an agreement and a supplemental agreement with Nanjing Chemical Fibre, pursuant to which we agreed to transfer approximately 3% equity interest in Nanjing Technical Equipment Manufacture Co., Ltd. (南京工藝裝備製造股份有限公司)("Nanjing Technical Equipment") held by our Group in exchange for 10,547,105 A shares of Nanjing Chemical Fibre, representing approximately 1.89% of its total issued share capital immediately after the completion of the proposed transaction (the "Proposed Transaction"), which forms part of the asset restructuring of Nanjing Chemical Fibre. The Proposed Transaction will not be financed by the proceed raised from the Global Offering. The aforementioned share consideration was determined based on arm's length negotiation. The completion of the Proposed Transaction is subject to (i) the approval by the Shanghai Stock Exchange and (ii) registration with the CSRC. The Proposed Transaction has been approved by the Shanghai Stock Exchange. Registration with the CSRC was subsequently completed on February 13, 2026, and such registration remains valid for 12 months. Completion of the Proposed Transaction is subject to the issuance of shares by Nanjing Chemical Fibre to our Group. Nanjing Chemical Fibre has announced that it intends to complete the Proposed Transaction within the validity period of the CSRC registration. However, as of the Latest Practicable Date, no detailed timetable for completing the Propsed Transaction has been disclosed.

Further, Nanjing Chemical Fibre is a company incorporated in the PRC and listed on the Shanghai Stock Exchange (stock code: 600889.SH), which is primarily engaged in the production and sales of viscose staple fiber, Lyocell fiber, PET structural core materials and landscape water supply services, an Independent Third Party. Nanjing Chemical Fibre is ultimately controlled by State-owned Assets Supervision and Administration Commission of Nanjing Municipal Government (南京市人民政府國有資產監督管理委員會), which is an Independent Third Party. Upon completion of the Proposed Transaction, Nanjing Chemical Fibre will not be accounted as our subsidiary and therefore its financial statements will not be consolidated into our Group's consolidated financial statements.

According to the unaudited management accounts of the Nanjing Chemical Fibre, its total assets as of September 30, 2025 was approximately RMB1,253.6 million. Further, according to the audited financial statements of Nanjing Chemical Fibre for the year ended December 31, 2024, its revenue was approximately RMB662.5 million and net loss before tax was approximately RMB482.8 million.

Reasons and Benefits

Nanjing Technical Equipment had been one of our suppliers of ball screws prior to our investment. In 2022, we acquired 3% equity interest in Nanjing Technical Equipment, as we recognized its growth potential based on our understanding of its business. We believe this investment has further strengthened our cooperation with Nanjing Technical Equipment. Upon completion of the Proposed Transaction, we will hold shares in Nanjing Chemical Fibre, a company listed on the Shanghai Stock Exchange, thereby enhancing the liquidity of our investment. Our Directors considered that the Proposed Transaction is on normal commercial terms, fair and reasonable and in the interest of our Company and the Shareholders as a whole.

Conditions to the waiver granted by the Stock Exchange

We have applied to the Stock Exchange for, and the Stock Exchange has granted a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in respect of the Proposed Transaction on the following grounds:

(a) Immateriality

Under Rule 14.04(9) of the Listing Rules, all the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the Proposed Transaction are below 5% by reference to the most recent audited financial year of the Track Record Period. We consider the Proposed Transaction to be immaterial in the context of our Company'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 business and future prospects when considering an investment in our Company.

(b) Acquisition of minority interests only and absence of control for Nanjing Chemical Fibre

We will not be able to control a majority of the board of directors nor the daily management of Nanjing Chemical Fibre and therefore it will not be treated as our subsidiary upon completion of the Proposed Transaction. As a result, its financial information will not be consolidated into our Group.

(c) Impracticality and undue burden

As we have not controlled and will not control Nanjing Chemical Fibre, we are unable to provide our reporting accountants with full access to their financial record, provide them opportunities to fully familiarize with the Nanjing Chemical Fibre's accounting policies or to gather and compile the necessary financial information and supporting documents to prepare the financial information required under the Listing Rules. As such, it would be impracticable and unduly burdensome for us to disclose the financial information of Nanjing Chemical Fibre in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules.

(d) Alternative disclosure in this Prospectus

We have provided alternative information in this Prospectus in connection with the Proposed Transaction required for the announcement for a discloseable transaction under Chapter 14 of the Listing Rules including, among other things, (i) the reasons for the Proposed Transaction, (ii) description of the principal business of the Nanjing Chemical Fibre, (iii) descriptions of the counterparty and its ultimate beneficial owner of the Proposed Transaction and a confirmation that they are Independent Third Parties, (iv) the considerations for the Proposed Transaction and how they were or expected to be satisfied, (v) basis on which the considerations for the Proposed Transaction were determined, and (vi) key financial information of the Nanjing Chemical Fibre.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Cap 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

CSRC FILING

We have obtained a filing notice dated December 9, 2025 from the CSRC for the Global Offering and the making of the application to list the H Shares on the Stock Exchange. In granting such filing notice, the CSRC accepts no responsibility for the financial soundness of us or for the accuracy of any of the statements made or opinions expressed in this Prospectus. No other approvals under the PRC laws and regulations are required to be obtained for the listing of the H Shares on the Stock Exchange.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 9,678,000 Offer Shares and the International Offering of initially 87,102,000 Offer Shares (subject to, in each case, reallocation on the basis referred to under the section headed "Structure and Conditions of the Global Offering" in this prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option).

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering. Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

See "Structure and Conditions of the Global Offering" for details of the structure of the Global Offering, including its conditions and the arrangements relating to the Over-allotment Option and stabilization.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for the Hong Kong Offer Shares."

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option).

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Monday, March 9, 2026. Save for our A Shares listed on the Shenzhen Stock Exchange as disclosed in this prospectus, no part of our Shares or loan capital is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

COMMENCEMENT OF DEALING IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional in Hong Kong at or before 8:00 a.m. in Hong Kong on Monday, March 9, 2026, it is expected that dealings in the Shares on the Stock Exchange are expected to commence 9:00 a.m. on Monday, March 9, 2026. The H Shares will be traded in board lots of 200 H Shares each. The stock code of the H Shares will be 2715.

H SHARE REGISTER AND HONG KONG STAMP DUTY

All of the Offer Shares will be registered on our register of members of H Share to be maintained by our H Share Registrar in Hong Kong. Our principal register of members will be maintained by us at our headquarters in the PRC.

Dealings in the H Shares registered on the H Share register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisors or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB6.9398 to US$1.00, being the PBOC rate prevailing on the Latest Practicable Date, (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.88787 to HK$1.00, being the PBOC rate prevailing on the Latest Practicable Date; and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK$7.8162 to US$1.00.

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail unless otherwise stated. However, the English translation of the names of the PRC entities, enterprises, nationals, facilities, regulations in Chinese included in this prospectus is for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail. In addition, if there is any inconsistency between the names of any of the entities mentioned in the English version of this prospectus which are not in the English language and their English translations, the names in their respective original language shall prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed in any table, chart or elsewhere in this prospectus are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. WU Bo (吳波)	Room 1003, Building 4 No. 6 Hanfu Street Xuanwu District Nanjing City Jiangsu Province PRC	Chinese
Mr. WU Kan (吳侃)	Room 1003, Building 4 No. 6 Hanfu Street Xuanwu District Nanjing City Jiangsu Province PRC	Chinese
Mr. ZHU Chunhua (諸春華)	Room 303, Building 1 No. 45 Liyuan Road Chunxi Town Gaochun District Nanjing City Jiangsu Province PRC	Chinese
Mr. ZHOU Ailin (周愛林)	No. 83, Hubei Road Gulou District Nanjing City Jiangsu Province PRC	Chinese
Mr. HE Lingjun (何靈軍)	Guli Gou, Xinmin Village Xinqiao Town Songjiang District Shanghai PRC	Chinese

Name	Address	Nationality
Non-executive Director		
Ms. CHEN Yinlan (陳銀蘭)	Room 203, Building 55 Cuiping Tsinghua Garden Moling Street Jiangning District Nanjing City Jiangsu Province PRC	Chinese
Independent non-executive Directors		
Dr. TANG Wencheng (湯文成)	Room 608 Building 6, New Building No. 2 Wenchang Street Xuanwu District Nanjing City Jiangsu Province PRC	Chinese
Dr. HAN Xiaofang (韓小芳)	No. 14 Hongmiao Lane Gulou District Nanjing City Jiangsu Province PRC	Chinese
Mr. LIN Jinjun (林金俊)	29A, Block 1, Phrase 4 Residence Bel-Air Island South Hong Kong	Chinese

For further information regarding our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor and Sponsor-Overall Coordinator	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
Overall Coordinators	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	GF Securities (Hong Kong) Brokerage Limited 27/F, GF Tower 81 Lockhart Road Wan Chai Hong Kong
	CMB International Capital Limited 45th Floor, Champion Tower 3 Garden Road Central Hong Kong
Joint Global Coordinators	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	GF Securities (Hong Kong) Brokerage Limited 27/F, GF Tower 81 Lockhart Road Wan Chai Hong Kong

CMB International Capital Limited
45th Floor, Champion Tower
3 Garden Road
Central
Hong Kong

BOCOM International Securities Limited
9/F, Man Yee Building
68 Des Voeux Road Central
Hong Kong

Joint Bookrunners

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

GF Securities (Hong Kong) Brokerage Limited
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

CMB International Capital Limited
45th Floor, Champion Tower
3 Garden Road
Central
Hong Kong

BOCOM International Securities Limited
9/F, Man Yee Building
68 Des Voeux Road Central
Hong Kong

ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

ICBC International Securities Limited
37/F ICBC Tower
3 Garden Road
Central
Hong Kong

BOCI Asia Limited
26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F, Tower II
Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

TradeGo Markets Limited
Room 3405, West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Huaan Securities (Hong Kong) Brokerage Limited
8/F Li Po Chun Chambers
189 Des Voeux Road Central
Sheung Wan
Hong Kong

Joint Lead Managers

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62/F, The Center
99 Queen's Road Central
Hong Kong

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27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

CMB International Capital Limited
45th Floor, Champion Tower
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Central
Hong Kong

BOCOM International Securities Limited
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68 Des Voeux Road Central
Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

ICBC International Securities Limited
37/F ICBC Tower
3 Garden Road
Central
Hong Kong

BOCI Asia Limited
26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Livermore Holdings Limited
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833 Cheung Sha Wan Road
Kowloon
Hong Kong

TradeGo Markets Limited
Room 3405, West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Huaan Securities (Hong Kong) Brokerage Limited
8/F Li Po Chun Chambers
189 Des Voeux Road Central
Sheung Wan
Hong Kong

Capital Market Intermediaries

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
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Hong Kong

GF Securities (Hong Kong) Brokerage Limited
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

CMB International Capital Limited
45th Floor, Champion Tower
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BOCOM International Securities Limited
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ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

ICBC International Securities Limited
37/F ICBC Tower
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Hong Kong

BOCI Asia Limited
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Hong Kong

Livermore Holdings Limited
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Kowloon
Hong Kong

TradeGo Markets Limited
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168-200 Connaught Road Central
Hong Kong

Huaan Securities (Hong Kong) Brokerage Limited
8/F Li Po Chun Chambers
189 Des Voeux Road Central
Sheung Wan
Hong Kong

Legal Advisors to our Company

As to Hong Kong Laws
Zhong Lun Law Firm LLP
4/F, Jardine House
1 Connaught Place
Central
Hong Kong

As to PRC Laws
Zhong Lun Law Firm
22-31/F, South Tower of CP Center
20 Jin He East Avenue
Chaoyang District
Beijing
PRC

As to International Sanctions in connection with the Listing
Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo
30th Floor
Shiroyama Trust Tower
4-3-1 Toranomon
Minato-ku
Tokyo 105-6030

Legal Advisors to the Sole Sponsor and Underwriters

As to Hong Kong Laws
Tian Yuan Law Firm LLP
Suites 3304-3309, 33/F
Jardine House
1 Connaught Place
Central
Hong Kong

As to PRC Laws
Commerce & Finance Law Offices
12-15th Floor
China World Office 2
No. 1 Jianguomenwai Avenue
Chaoyang District
Beijing
PRC

Auditor and Reporting Accountants

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

Industry Consultant

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
2504-2505 Wheelock Square
1717 Nanjing West Road
Shanghai 200040
PRC

Receiving Banks

Industrial and Commercial Bank of China (Asia) Limited
33/F., ICBC Tower
3 Garden Road
Central
Hong Kong

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

CMB Wing Lung Bank Limited
45 Des Voeux Road Central
Hong Kong

Registered Office	No. 1888 Jiyin Avenue Jiangning, Nanjing Jiangsu Province PRC
Headquarters and Principal Place of Business in the PRC	No. 1888 Jiyin Avenue Jiangning, Nanjing Jiangsu Province PRC
Principal Place of Business in Hong Kong	4/F, Jardine House 1 Connaught Place Central Hong Kong
Company's Website	**www.estun.com** *(the information contained on the website does not form part of this prospectus)*
Joint Company Secretaries	Ms. XIAO Tingting (肖婷婷) No. 1888 Jiyin Avenue Jiangning, Nanjing Jiangsu Province PRC Ms. POON Pui Man Hera (潘霈民) 4/F, Jardine House 1 Connaught Place Central Hong Kong
Authorized Representatives	Mr. WU Kan (吳侃) No. 1888 Jiyin Avenue Jiangning, Nanjing Jiangsu Province PRC Ms. POON Pui Man Hera (潘霈民) 4/F, Jardine House 1 Connaught Place Central Hong Kong

Audit Committee	Dr. HAN Xiaofang (韓小芳) *(Chairman)* Dr. TANG Wencheng (湯文成) Mr. LIN Jinjun (林金俊)
Nomination Committee	Dr. TANG Wencheng (湯文成) *(Chairman)* Dr. HAN Xiaofang (韓小芳) Mr. WU Kan (吳侃)
Remuneration and Appraisal Committee	Mr. LIN Jinjun (林金俊) *(Chairman)* Dr. HAN Xiaofang (韓小芳) Ms. CHEN Yinlan (陳銀蘭)
Strategic Committee	Mr. WU Bo (吳波) *(Chairman)* Mr. WU Kan (吳侃) Mr. ZHU Chunhua (諸春華) Mr. ZHOU Ailin (周愛林) Dr. TANG Wencheng (湯文成)
ESG Committee	Mr. WU Bo (吳波) *(Chairman)* Dr. TANG Wencheng (湯文成) Mr. HE Lingjun (何靈軍)
Compliance Advisor	**Maxa Capital Limited** Unit 2602, 26/F, Golden Centre 188 Dex Voeus Road Central Sheung Wan Hong Kong
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal Bank(s)	**Industrial and Commercial Bank of China Nanjing Jiangning Economic Development Zone Sub-branch** No. 99-1 Jiangjun Avenue Jiangning District, Nanjing City Jiangsu Province PRC **Bank of China Nanjing Jiangning Economic Development Zone Sub-branch** No. 11, Shengtai Road Jiangning Economic Development Zone Nanjing City, Jiangsu Province PRC

The information and statistics presented in this section and other sections of this prospectus, unless otherwise indicated, were extracted from different official government publications and other publications, and from the industry report prepared by Frost & Sullivan, an independent market research and consulting company that was commissioned by us, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, any of the Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

OVERVIEW OF THE GLOBAL INDUSTRIAL AUTOMATION MARKET

Industrial automation refers to the deployment of advanced control systems, information technologies, and robotics to execute tasks traditionally performed by human workers. With significant technological advancements in recent years, industrial automation has enhanced productivity and quality across manufacturing and other industrial applications, while also significantly improving safety by reducing reliance on manual labor. Nowadays, industrial automation is widely adopted across various industries globally, with a global market size of USD509.6 billion in 2024, in terms of revenue. The global industrial automation market is expected to grow at a robust pace in the foreseeable future, driven by increasing adoption in sectors such as the automotive, electronics, PV and power battery industry, where the complexity of manufacturing processes creates a strong demand for automation. The need for greater precision, efficiency, and scalability in such high-complexity industries is anticipated to significantly fuel the expansion of the industrial automation market in the future. The global industrial automation market is anticipated to reach USD724.7 billion in 2029, at a CAGR of 7.3% from 2024 to 2029.

Benefiting from a strong industrial foundation and a wide range of application scenarios, the industrial automation market in China represents a key segment of the global market. With a market size of USD45.9 billion in 2024, the industrial automation market in China accounted for 9.0% of the global market. In the future, factors such as an aging population, persistent labor shortages, advancements in industrial robotic technologies, and government-led industrial upgrading initiatives are expected to drive the industrial automation market in China at a faster growth rate compared to the global average. The size of the industrial automation market in China is expected to reach USD83.3 billion in 2029 at a CAGR of 12.7% from 2024 to 2029, increasing its share to 11.5% of the global market in 2029.

The significant market size and high growth potential within China present considerable opportunities for domestic industrial automation companies that are rooted in the market. With a deeper understanding of the local market dynamics and the specific needs of companies in China, domestic industrial automation companies are well-positioned to lead the future development of global industrial automation technologies and applications.

OVERVIEW OF THE GLOBAL INDUSTRIAL ROBOTIC SOLUTIONS MARKET

An industrial robot is an automatically controlled, reprogrammable multipurpose manipulator, programmable in three or more axes, which can be either fixed in place or fixed to a mobile platform for use in automation applications in an industrial environment. Industrial robots, based on their application scenarios, are typically categorized into general-purpose and application-specific industrial robots.

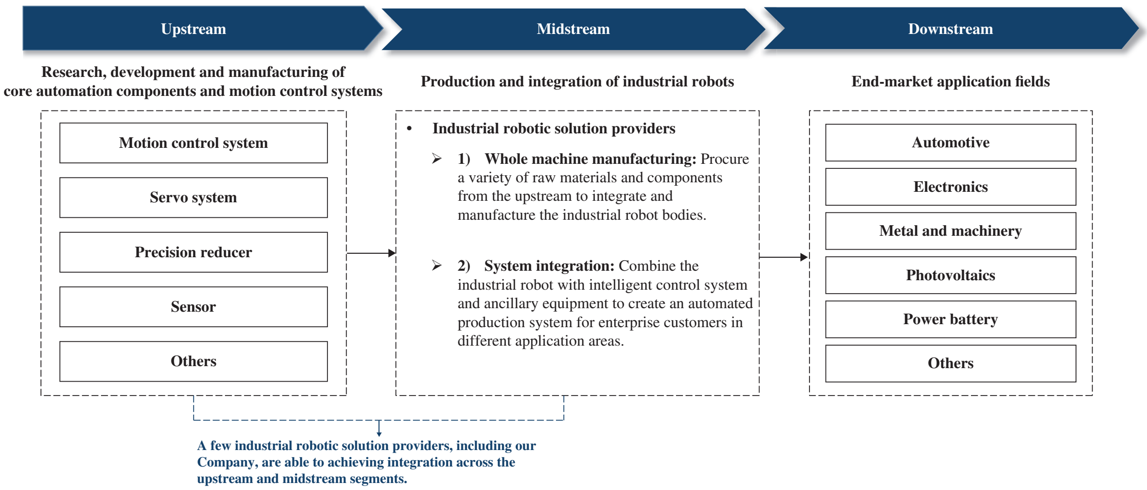
Industrial robots serve as a cornerstone of modern industrial automation, functioning as automatically controlled, reprogrammable, and highly adaptable robotic arms capable of operating across three or more axes. The flexibility of industrial robots enables them to be deployed across a wide range of automation applications in industrial environments. Designed for high-precision and high-efficiency operations, industrial robots excel at tasks requiring exceptional accuracy and speed. With advanced control systems, they can perform diverse functions, progressively replacing manual labor in tasks that are repetitive, hazardous, or demand consistent precision.

Industrial robot solutions refer to automated production systems consisting of industrial robots, intelligent control systems and ancillary equipment. Providers of industrial robotic solutions design, develop, and manufacture robotic systems, incorporating peripheral equipment and intelligent control technologies to fulfill specific operational requirements. Such tailored industrial robotic solutions assist customers in addressing their unique process needs across various industries, enhancing efficiency, precision and productivity. The Company's industrial robots and intelligent manufacturing systems business falls into the industrial robotic solutions industry.

Value Chain of the Global Industrial Robotic Solutions Market

The value chain of the global industrial robotic solutions market consists of three key segments. The upstream segment involves the research, development and manufacturing of core automation components and motion control systems, such as motion control systems, servo systems, precision reducers, and sensors. The midstream segment centers on the production and integration of industrial robots, with solution providers offering customized programming and auxiliary equipment to address specific client requirements. In the downstream segment, industrial robotic solutions are deployed across diverse industries, including automotive, electronics, metal and machinery, photovoltaics, power battery and others. The following table sets forth details of these industry participants.

Value Chain of the Global Industrial Robotic Solutions Market



Source: Frost & Sullivan

Vertical integration has emerged as a significant trend in the industrial robotic solutions market in recent years. Several industrial robotic solution providers that traditionally focused on the midstream segment are leveraging their expertise and gradually expanding into the upstream by bringing the R&D and production of core automation components and motion control systems in-house. By developing these components internally, solution providers gain better control over both production costs and the design of core components, enabling them to deliver more integrated and customized solutions that closely meet the specific process requirements of their customers. Such vertical integration enhances the overall value-added of industrial robotic solutions, potentially capturing higher market premiums and expanding profit margins. Moreover, the expertise gained through R&D and production of core automation components and motion control systems enhances their technological capabilities, providing distinctive competitive advantages in the market.

Market Size of the Global Industrial Robotic Solutions Market

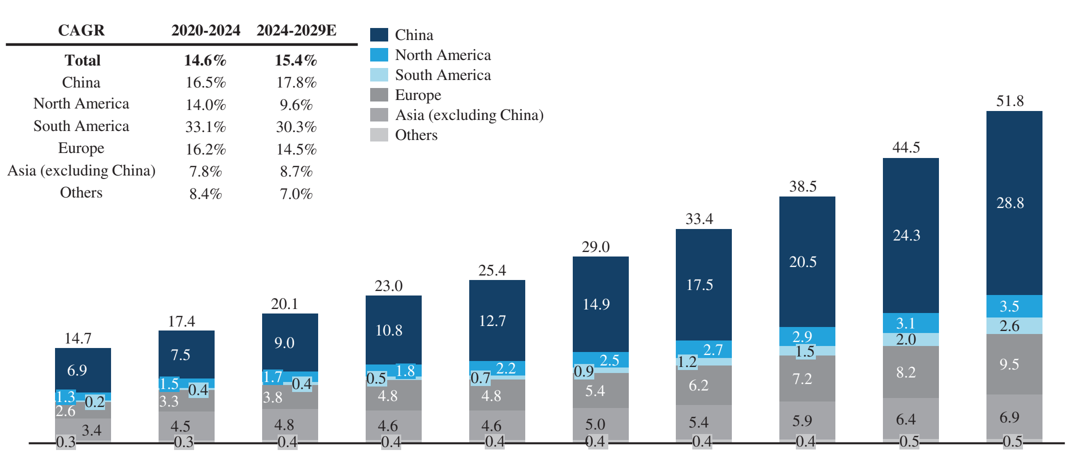
Driven by rapid technological advancements and expanding application areas, the global industrial robotic solutions market has experienced significant growth in recent years. The market size in terms of revenue, increased from USD14.7 billion in 2020 to USD25.4 billion in 2024, representing a CAGR of 14.6% from 2020 to 2024, and is expected to maintain its strong growth rate in the future, with revenue expected to reach USD51.8 billion by 2029, at a CAGR of 15.4% from 2024 to 2029.

China has emerged as a key driver of global market growth. The industrial robotic solutions market in China has witnessed remarkable expansion in recent years, driven by several converging factors, including the vast manufacturing infrastructure in China, increasing demand for industrial upgrades, and policy support. In particular, over the years, the Chinese government has issued a series of favorable policies to promote the development of the industry. For example, the "14th Five-Year Plan" for the Development of Smart Manufacturing (《"十四五"智能製造發展規劃》), jointly released by eight departments including the

Ministry of Industry and Information Technology, proposed to accelerate innovation and realize technological breakthroughs in industrial robots, CNC machine tools and other smart equipment. As another example, the "14th Five-Year Plan" for the Development of the Robot Industry (《"十四五"機器人產業發展規劃》), jointly released by the Ministry of Industry and Information Technology and the National Development and Reform Commission and other departments, proposed to double the density of robots in China's manufacturing industry by 2025, and to develop a number of leading enterprises with international competitiveness. From 2020 to 2024, market size of the industrial robotic solutions market in China increased from USD6.9 billion to USD12.7 billion, at a CAGR of 16.5%. This growth trend is expected to continue, with the market size of the industrial robotic solutions market in China expected to reach USD28.8 billion by 2029, achieving a CAGR of 17.8% from 2024 to 2029.

In parallel, the rapid growth of industrial robotic solutions manufacturers in China has driven significant advancements in the R&D of core technologies and components of industrial robotics. Localized production has significantly lowered production costs, establishing a clear competitive advantage. Combined with technical breakthroughs, these cost efficiencies have enabled domestic industrial robot manufacturers to meet the full spectrum of market demand, steadily challenging and, in some cases, displacing the long-standing dominance of foreign brands. While international solution providers continue to benefit from strong brand recognition mainly due to their first-mover advantages in the development of core automation components and industrial robots, domestic companies are increasingly playing a pivotal role in the global industrial robotic solutions market. Their deep understanding of domestic needs, ability to offer flexible and customized services, and continuously improving technological capabilities position them as emerging leaders in the global industrial automation sector. The rapid growth of the industrial robotic solutions market in China is expected to foster the emergence of internationally competitive industrial automation giants.

Market Size of the Global Industrial Robotic Solutions Market by Revenue, Categorized by Region (USD billion, 2020-2029E)



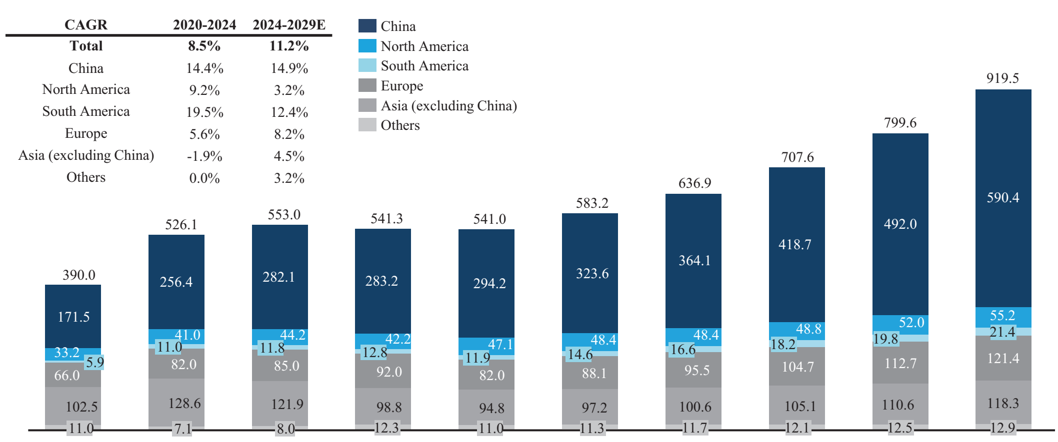
Source: International Federation of Robotics, Chinese Institute of Electronics, Frost & Sullivan

Shipment Volume of the Global Industrial Robots

Global industrial robot shipments have experienced substantial growth, increasing from 390.0 thousand units in 2020 to 541.0 thousand units in 2024, representing a CAGR of 8.5%. In 2023 and 2024, global industrial robot shipments decreased by 2.1% and 0.1% year-on-year, respectively, due to general decline in demand for automation equipment across various industries. China's market has been a primary driver of the expansion of global industrial robot shipments. China's industrial robot shipments surged from 171.5 thousand units in 2020 to 294.2 thousand units in 2024. This remarkable growth elevated China's share of global industrial robot shipments from 44.0% in 2020 to 54.4% in 2024.

The global industrial robot market is expected to continue its growth trend in the future, with shipments anticipated to reach 919.5 thousand units by 2029, representing a CAGR of 11.2% from 2024 to 2029. China is forecast to further solidify its leading position, with its industrial robot shipments predicted to reach 590.4 thousand units in 2029. This would further increase China's proportion of global industrial robot, to 64.2%, and demonstrate an accelerated CAGR of 14.9% from 2024 to 2029. The rapid expansion of the market in China and its increasing dominance provide significant opportunities for local industrial robotic solution providers, positioning them to excel in fierce international competition and potentially evolve into globally influential industry leaders.

Shipment Volume of the Global Industrial Robots, Categorized by Region (Thousand units, 2020-2029E)

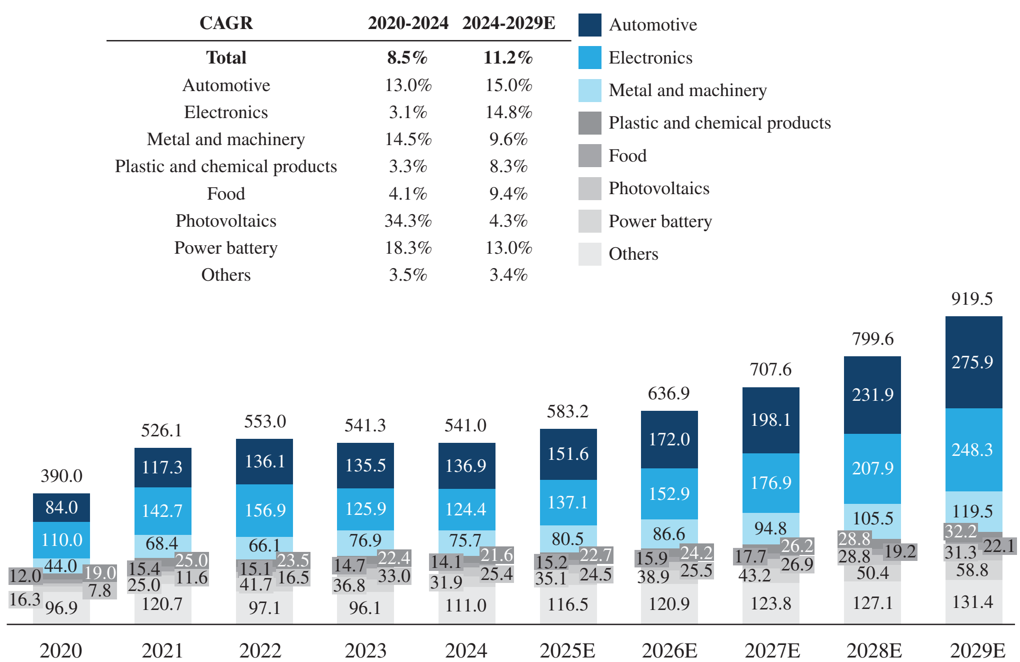


Source: International Federation of Robotics, Chinese Institute of Electronics, Frost & Sullivan

The automotive, electronics, photovoltaics, and power battery sectors are among the key industries that have driven, or are expected to continue driving, the expansion of global industrial robot shipment volumes. The global shipment volume of industrial robots under automotive, electronics, photovoltaics, and power battery increased from 84.0 thousand units, 110.0 thousand units, 7.8 thousand units, and 16.3 thousand units in 2020, respectively, to 136.9 thousand units, 124.4 thousand units, 25.4 thousand units, and 31.9 thousand units in

2024, respectively. Driven by the increasing adoption of intelligent technologies in the automotive industry and the accelerated iteration of electronics products, manufacturing enterprises are placing greater emphasis on production efficiency and precision. As a result, industrial robot shipments in these sectors are expected to continue their upward trend. It is expected that by 2029, global shipment volume of industrial robots for automotive and electronics sectors will reach 275.9 thousand units and 248.3 thousand units, respectively, with a CAGR of 15.0% and 14.8% from 2024 to 2029, respectively.

Shipment Volume of the Global Industrial Robots, Categorized by Downstream Application (Thousand units, 2020-2029E)



Source: International Federation of Robotics, Chinese Institute of Electronics, Frost & Sullivan

Market Drivers of the Global Industrial Robotic Solutions Market

- *Rising labor costs:* The accelerating global population aging trend results in a decline in the working-age population, severely challenging global manufacturing with labor shortages and rising costs. This demographic pressure compels enterprises to accelerate industrial upgrading. Consequently, more manufacturers are adopting higher levels of automation. Industrial robotic solutions are able to execute repetitive, high-precision tasks uninterruptedly, boosting efficiency, shortening production cycles, and ensuring consistent quality. This directly addresses rising labor costs, recruitment issues, and manual errors, enabling high-quality mass production while optimizing labor structures. This sustained demand fuels the expansion of the global industrial robotic solutions market.

- *Technological advancement and innovation:* The integration of emerging technologies into industrial robotic solutions makes them more intelligent, flexible, and efficient, significantly broadening their range of applications and potential uses. This further drives the increasing demand for industrial robotic solutions from manufacturing enterprises. For instance, AI and machine learning technologies can optimize production processes and enable predictive maintenance, while IoT and big data analytics facilitate equipment interconnection and data-driven decision-making. Furthermore, the application of embodied AI in industrial robots is becoming increasingly sophisticated. The technological advancement and innovation significantly boosts the versatility and adaptability of industrial robots. The continuous development of these frontier technologies will drive further expansion of the industrial robotic solutions market.

- *Ongoing focus and investment in production safety and stability:* In increasingly complex industrial production environments, ensuring sustained production safety and reliability has become a key priority for enterprises. Industrial robotic solutions play a critical role in mitigating the risk of production accidents, protecting worker safety, and maintaining the continuity and stability of production processes. Furthermore, their capability to function in extreme or hazardous environments protects workers from high-risk situations, offering enterprises a more dependable and secure foundation for production assurance.

Development Trends of the Global Industrial Robotic Solutions Market

- *Technology innovation:* To meet diverse applications and flexible production needs, future industrial robots will evolve towards greater intelligence and modularity. Improved operational convenience through intuitive interfaces and simplified programming will lower user entry barriers. Modular design will facilitate rapid configuration and maintenance. In particular, AI is anticipated to be extensively integrated into industrial robots, enabling advancements such as computer vision, force control, and machine learning capabilities.

- *Vertical integration throughout the value chain:* Facing intensified competition and growing customer demands for customization, efficiency, and cost control, industrial robotic solution providers are increasingly pursuing vertical integration across the value chain. This involves actively expanding into upstream operations by internally conducting research, development, and production of core automation components. Concurrently, they are enhancing downstream system integration capabilities, offering in-depth, differentiated customized services for specific sectors such as power batteries, photovoltaics, automotive, electronics, semiconductors, and construction. This comprehensive vertical integration enables providers to deliver more cost-effective and technically advantageous industrial robotic solutions, better satisfying complex customer needs and strengthening their market share and competitiveness.

- *Horizontal and vertical expansion of downstream application areas:* Industrial robotic solution providers are pursuing dual growth strategies to drive business development and adapt to evolving market demands. On one hand, they actively promote the horizontal deep application of their products within established industries such as automotive manufacturing and electronics assembly. By offering high-speed, high-precision robotic systems and comprehensive lifecycle services, these providers address the demands of manufacturing enterprises in these sectors for greater production efficiency and improved product quality. On the other hand, industrial robotic solution providers are pursuing vertical expansion into emerging industries, driven by increasing demand for automation across new application fields. They are developing customized solutions tailored to the unique processes of these industries.

  For industrial robotic solution providers, horizontal expansion into downstream application fields creates new market opportunities by penetrating industries with traditionally low levels of robot adoption or automation. Vertical expansion, on the other hand, focuses on increasing value per client by transitioning from offering individual automation units to delivering more comprehensive production line or factory-level automation solutions. Together, these horizontal and vertical expansion strategies enable industrial robotic solution providers to continuously uncover new growth opportunities, ensuring sustainable business development in a rapidly evolving market landscape.

- *Global deployment:* Industrial robotic solution providers are establishing global production facilities, supply chains, and strengthening service, R&D, and delivery capabilities worldwide. By leveraging regional advantages, they aim to enhance operational efficiency, boost international brand influence, and expand market share. Notably, industrial robotic solution providers in China are becoming pivotal in this globalization. Driven by a maturing domestic market and accumulated expertise, they are actively expanding overseas, leveraging their validated technologies and cost advantages. By establishing international R&D centers, production bases, and service networks, companies originating in China can meet global client needs, access cutting-edge technologies, and gain international market experience to further upgrade their domestic offerings.

Competitive Landscape of the Global Industrial Robotic Solutions Market

The global industrial robotic solutions market is intensely competitive and relatively fragmented. As of December 31, 2024, there were over 3,000 industrial robotic solution providers worldwide, with the top 10 players collectively accounting for 34.2% of the market share in terms of revenue.

In the global industrial robotic solutions market, international providers hold a significant market share due to their long-established brand reputation and first-mover advantage. As Chinese providers continue to develop their technologies, their market share in the global industrial robotic solutions market has been gradually increasing.

International providers, leveraging their first-mover advantage, strong brand recognition, and extensive technological expertise in core components, has hold a significant market position in applications demanding high precision and reliability, such as automotive manufacturing. Their primary strengths are stable product performance, a mature ecosystem, and comprehensive global service networks. In contrast, while Chinese providers face technical gaps with international providers in core components such as servo systems and reducers, they have made significant strides in a wider range of applications due to their deep understanding of the domestic market, localized services with rapid responses, and more cost-effective solutions. The advantages of Chinese suppliers lie in their ability to flexibly meet customer-specific needs and their strong cost control capabilities, which gives them a competitive edge against international providers in price competition.

In terms of revenue in 2024, our Company ranked first in global industrial robotic solutions market among domestic providers, and ranked sixth in global industrial robotic solutions market among all providers globally. The following table sets forth the ranking and market share of our Company in the global industrial robotic solutions market in terms of revenue.

Ranking of Global Industrial Robotic Solution Providers, in terms of Revenue in 2024

	Among Chinese providers			Among all providers globally		
Ranking	**Providers**	**Revenue (RMB billion, 2024)**	**Market share (%, 2024)**	**Providers**	**Revenue (RMB billion, 2024)**	**Market Share (%, 2024)**
1	**Our Company**	**3.0**	**1.7%**	Company F[6]	16.5	9.3%
2	Company A[1]	1.3	0.8%	Company G[7]	11.3	6.3%
3	Company B[2]	1.2	0.7%	Company H[8]	10.7	6.0%
4	Company C[3]	1.2	0.6%	Company I[9]	8.5	4.8%
5	Company D[4]	0.8	0.4%	Company J[10]	4.1	2.3%
6	Company E[5]	0.7	0.4%	**Our Company**	**3.0**	**1.7%**

Source: Public fillings, websites of market players, expert interview, Frost & Sullivan

Notes:

(1) Company A is a public company founded in 2007 and listed on the Shanghai Stock Exchange, headquartered in Anhui, China, committed to providing research and development, production and sales business of core components, industrial robots and system integration.

(2) Company B is a public company founded in 2000 and listed on the Shenzhen Stock Exchange, headquartered in Shenyang, China, committed to providing business related to the robot industry chain, including robot core components, robot production and robot system solutions.

(3) Company C is a public company founded in 2003 and listed on the Shenzhen Stock Exchange, headquartered in Shenzhen, China, committed to providing frequency converter, servo system, industrial robot, industrial vision and other industrial automation products and solutions.

(4) Company D is a public company founded in 2007 and listed on the Shenzhen Stock Exchange, headquartered in Guangdong, China, dedicated to the provision of industrial robots and automation application systems, injection molding machines, ancillary equipment and other products and services.

(5) Company E is a public company founded in 1995 and listed on the Shenzhen Stock Exchange, headquartered in Shanghai, China. It focuses on robotics products and systems business, including servo systems, robotics system integration, etc.

(6) Company F is a public company founded in 1972 and listed on the Tokyo Stock Exchange, headquartered in Japan. It focuses on the research, development and manufacture of CNC systems, industrial robots and other industrial automation equipment.

(7) Company G is a public company founded in 1915 and listed on the Tokyo Stock Exchange, Osaka Stock Exchange and Fukuoka Stock Exchange, headquartered in Japan. It focuses on development and production of servo motors, inverters, industrial robots and other industrial automation equipment.

(8) Company H is a public company founded in 1988 and listed on the SIX Swiss Exchange, Stockholm Stock Exchange, New York Stock Exchange, London Stock Exchange and Frankfurt Stock Exchange, headquartered in Switzerland, committed to providing products and services related to electrification and automation.

(9) Company I is a public company founded in 1898 and listed on the Frankfurt Stock Exchange, headquartered in Germany. It is a wholly-owned subsidiary of a technology group and is committed to developing and producing industrial robots and helping corporate customers to realize factory automation.

(10) Company J is a public company founded in 1878 and listed on the Tokyo Stock Exchange, headquartered in Japan. It focuses on the production of construction machinery, industrial equipment and marine hydraulic machinery.

In terms of shipment volume of industrial robots in 2024, our Company ranked second in the industrial robotic solutions market in China, with a market share of 9.5%. Based on the shipment volume of industrial robots in the first half of 2025, our Company ranked first in the industrial robotic solutions market in China. The following table sets forth the ranking and market share of our company in the industrial robotic solutions market in China in terms of shipment volume of industrial robots.

Ranking of Industrial Robotic Solution Providers in China, in terms of Shipment Volume of Industrial Robots, in 2024 and the six months ended June 30, 2025

	2024			**Six Months Ended June 30, 2025**	
Ranking	**Providers**	**Shipment Volume of Industrial Robots (Thousand units, 2024)**	**Market Share (%, 2024)**	**Providers**	**Shipment Volume of Industrial Robots (Thousand units, 2025H1)**
1	Company F	32.0	10.9%	**Our Company**	**16.4**
2	**Our Company**	**28.1**	**9.5%**	Company F	15.6
3	Company C	26.0	8.8%	Company I	15.4
4	Company I	24.0	8.2%	Company C	13.3
5	Company H	17.0	5.8%	Company H	10.2

Source: Public fillings, websites of market players, expert interview, Frost & Sullivan

In terms of shipment volume of industrial robots in 2024, the Company ranked fifth in global industrial robotic solutions market among all providers globally, with a market share of 5.5%. The following table sets forth the ranking and market share of our Company in the global industrial robotic solutions market in terms of shipment volume of industrial robots.

Ranking of Global Industrial Robotic Solution Providers, in terms of Shipment Volume of Industrial Robots in 2024

Ranking	Providers	Shipment Volume of Industrial Robots (Thousand units, 2024)	Market Share (%, 2024)
1	Company F	100.0	18.5%
2	Company I	51.0	9.4%
3	Company H	50.0	9.2%
4	Company G	48.0	8.9%
5	**Our Company**	**30.0**	**5.5%**

Source: Public fillings, websites of market players, expert interview, Frost & Sullivan

Our Company's industrial robot products have a wide range of applications in different downstream segments, among which our Company is an industry leader in sheet metal bending, photovoltaic, power battery and other fields. In terms of the shipment volume of industrial robots under the field of photovoltaic and sheet metal bending in 2024, our Company ranked first in the global industrial robotic solutions market, with a market share of 11.0% in photovoltaic and 7.8% in sheet metal bending. In terms of the shipment volume of industrial robots under the field of power battery industry in 2024, our Company ranked first in the industrial robotic solutions market in China with a market share of 16.9%, and ranked second in the global industrial robotic solutions market with a market share of 12.7%. In terms of the shipment volume of industrial robots under the field of arc welding industry in 2024, our Company ranked fourth in the industrial robotic solutions market in China with a market share of 7.9%, and ranked fifth in the global industrial robotic solutions market with a market share of 5.3%.

Key Success Factors and Entry Barriers of the Global Industrial Robotic Solutions Market

- *Full-stack service capabilities:* Leading industrial robotic solution providers are increasingly adopting a strategy of vertical integration, focusing not only on the production of robotic bodies but also on the upstream R&D of critical components. From a cost structure perspective, key upstream components, such as reducers, servo systems, and controllers, account for approximately 65% to 75% of the total cost of an industrial robot. Vertical integration of the upstream segment of the industrial robot industry chain enables industrial robotic solution providers to better control costs, accelerate product development cycles, and reduce reliance on external suppliers. Simultaneously, these industry leaders are expanding their downstream system integration capabilities to offer tailored, differentiated solutions for high-demand sectors such as power batteries, photovoltaics, automotive manufacturing, and electronics. The complexity and resource intensity of this approach create substantial barriers to entry for new competitors, who often lack the specialized expertise, cohesive organizational capabilities, and established market reputation necessary to develop and deliver a comprehensive service ecosystem.

- *Technological innovation:* The industrial robotic solutions market is characterized by its highly technology-intensive nature and significant technical barriers. The development of industrial robotic solutions requires extensive experience and technological accumulations in a various of fields, including microelectronics, automation control, and mechatronics. Moreover, the wide range of downstream application industries demands that manufacturers possess extensive cross-sector experience and a deep understanding of customer-specific processing technologies to address diverse and highly specialized needs. As industrial robots continue to evolve toward greater precision and intelligence, their varied applications require tailored engineering solutions and process-specific adjustments. For example, in the semiconductor industry, to ensure production accuracy and yield, industrial robots must achieve repeatability accuracy of 0.01mm or better, supported by customized end-effectors and advanced vibration suppression algorithms to prevent microscopic damage to fragile materials. Similarly, in the power battery industry, industrial robots are required to perform high-speed and high-precision laser welding and stacking operations, with welding speeds reaching up to 50mm per second. This requires industrial robot solution providers to develop specialized vision-guided systems and adaptive control software to ensure the sealing and safety of battery packs. Such capabilities necessitate substantial, long-term investment in research and development, along with continuous technological innovation. Consequently, the high level of expertise and resource commitment required creates a significant barrier to entry, making it exceedingly challenging for new entrants to rapidly establish competitiveness in this market.

- *Customer base:* Corporate customers in the industrial robotic solutions market demand stringent reliability, technical strength, and proven project experience from suppliers. They prioritize established providers with long-term cooperation and strong brand reputations. Leading solution providers thus enjoy significant customer stickiness, cultivated through years of industry standing and stable relationships. For new entrants, breaking into these well-established relationships and earning the trust of major customers requires significant marketing investment and considerable time. This challenge extends beyond showcasing technical capabilities; it also necessitates the establishment of robust pre-sales and after-sales support systems, as well as the development of a track record of consistent customer achievements and proven operational success. Consequently, the ability to secure and maintain a stable customer base represents a critical barrier to entry in this market.

- *Local service capabilities:* The implementation and operation of industrial robotic solutions require highly tailored and professional localized support, including prompt technical assistance, timely equipment maintenance, environment-specific optimization, and adherence to local regulatory requirements. Leading global solution providers leverage extensive worldwide service networks, experienced local teams, and a deep understanding of regional market dynamics to establish production capabilities, supply chains, and strong brand recognition. For example, leading industrial robotic solution providers typically respond to customer service requests within two hours and dispatch local technicians to the site within 48 hours to provide onsite-support. In contrast, new market entrants often face significant challenges during their early stages, as they typically lack the substantial capital investment and in-depth knowledge of diverse overseas business environments required to develop efficient and professional localized service systems. These limitations present significant obstacles to their ability to achieve rapid global expansion and establish a robust international presence.

- *Brand recognition:* Industrial robotic solutions play a critical role in ensuring the stability and reliability of downstream customers' products and production processes. As a result, the industry reputation of solution providers becomes essential considerations in long-term supplier selection. A strong brand signifies product reliability, technological innovation, quality assurance, robust technical support, and strict adherence to industry standards. Customers tend to favor established market leaders with well-recognized and trusted brands. For new entrants, overcoming the dominance of established brands and building recognition and trust requires a prolonged period of sustained effort, including continuous product innovation and the consistent delivery of high-quality services. This process of reputation-building constitutes a significant and well-defined brand barrier to entry within the market.

Cost Analysis of Industrial Robots

The rapid development of industrial robots is closely related to the development of their major components. Main raw material and components of industrial robots include reducers, servo motors, controllers and other core automation components. The selection and performance of these major components directly affect the competitiveness of industrial robots in terms of intelligence level, operational efficiency, endurance, safety performance and other dimensions.

The cost structure of industrial robot has undergone significant technology-driven evolution, demonstrating a clear trend where mechanical components experience continuous cost reduction while intelligent components gain increasing value.

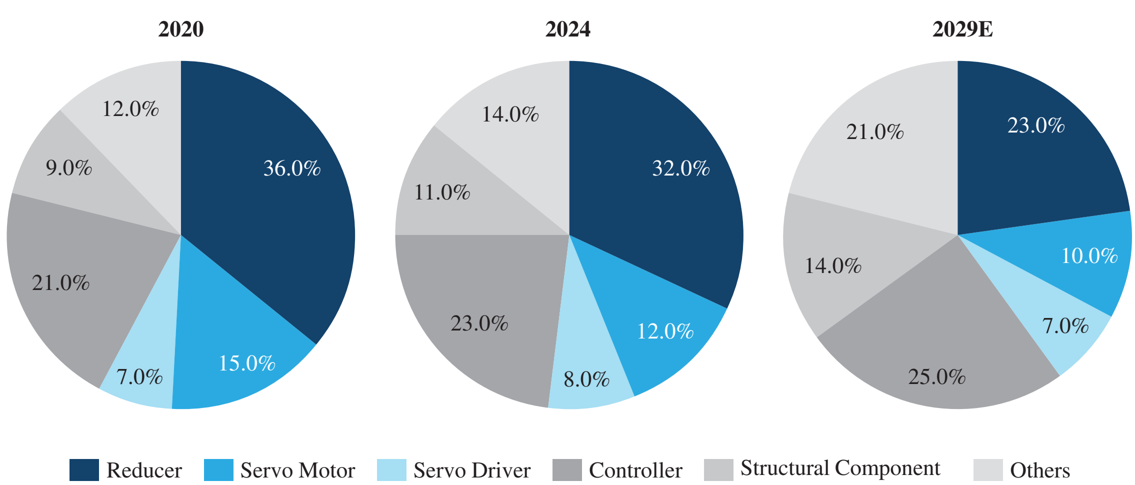
In 2020, import-dependent reducers dominated the cost structure with a 36% share. Servo systems with high technical barriers accounted for 22% of total costs, comprising 15% for servo motors and 7% for servo drives. And controllers and structural components constituted 21% and 9%, respectively.

In 2024, accelerated domestic substitution and scaling effects reduced the reducer share to 32%. Within servo systems, motor costs declined to 12%, while drives increased slightly to 8%. The structural component share rose to 11% due to growing lightweight requirements in industrial robot design.

In 2029, harmonic technology breakthroughs combined with humanoid robot mass production are expected to further decrease reducer costs to 23%. Continuous servo system upgrades are expected to adjust motor and drive shares to 10% and 7%, respectively. Meanwhile, controller costs are expected to rise significantly to 25%, while structural components is expected to increase to 14%, reflecting sustained technological advances in sensing systems and innovative materials.

In the future, with the gradual maturity of cutting-edge technologies, such as harmonic drive technology, and the expansion of production scale, it is expected that the cost share of reducers will be further reduced. Concurrently, advancements in sensing technologies and material innovations will likely drive continuous growth in the proportion of intelligent components such as controllers. The industrial robot industry will benefit from deepening localization initiatives, and proprietary technological breakthroughs, increasing the self-sufficiency rate of critical components and will be widely applied in more industries with an optimized cost structure.

Cost Analysis of Industrial Robots, 2020, 2024, 2029E



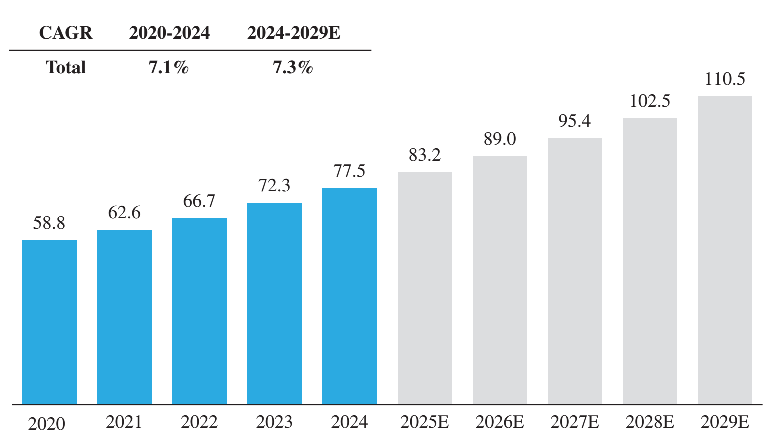
OVERVIEW OF THE GLOBAL CORE AUTOMATION COMPONENTS AND MOTION CONTROL SYSTEM SOLUTIONS MARKET

Core automation components and motion control system solution refer to integrated intelligent control unit solution that include core control and functional components such as motion control systems, servo systems, and numerical control ("**NC**") systems. These solutions aim to provide customers with high-performance motion control and one-stop after-sales service capabilities for various application scenarios. Core automation components and motion control system solutions encompass a complete product matrix, spanning from the information layer, control layer, and drive layer to the execution layer. Centered around motion control systems, servo systems, and NC system products, core automation components and motion control system solutions are primarily used in the automation control of intelligent equipment, including metal forming NC machine tools, industrial robots, photovoltaic manufacturing equipment, power battery manufacturing equipment, electronics manufacturing equipment, packaging machinery, and semiconductor manufacturing equipment. The Company's core automation components and motion control systems business falls into the core automation components and motion control system solutions industry.

Market Size of the Global Core Automation Components and Motion Control System Solutions Market

The market size of global core automation components and motion control system solutions market, in terms of revenue, has grown from USD58.8 billion in 2020 to USD77.5 billion in 2024, with a CAGR of 7.1% during this period. In particular, the market size of core automation components and motion control system solutions market in China expanded from USD23.5 billion in 2020 to USD34.1 billion in 2024, increasing its share of the global market from 40.0% in 2020 to 44.0% in 2024. In the future, the market size of global core automation components and motion control system solutions market will further expand and is expected to reach USD110.5 billion in 2029, representing a CAGR of 7.3% from 2024 to 2029. The market size of core automation components and motion control system solutions market in China is expected to increase to USD56.9 billion in 2029 at a CAGR of 10.8% from 2024 to 2029, and the proportion of the global market is expected to reach 51.5% in 2029.

Market Size of the Global Core Automation Components and Motion Control System Solutions Market, in terms of Revenue (USD billion, 2020-2029E)



Source: Frost & Sullivan

Market Drivers of the Global Core Automation Components and Motion Control System Solutions Market

- *Growing demand for industrial automation upgrades and intelligent manufacturing:* As the global economy continues to grow, end-consumer demand for greater product diversity and customization is rising. This trend increases the complexity of manufacturing processes, technological challenges, and production requirements, prompting traditional manufacturing enterprises to accelerate their transition toward automation and intelligence. On the one hand, manufacturers are exhibiting a strong demand for core automation components and motion control system solution to enhance production efficiency, lower operational costs, improve product quality, and respond to increasingly complex market dynamics. On the other hand, the widespread adoption of intelligent manufacturing concepts is driving enterprises to adopt advanced technologies. This imperative for upgrading is evident not only in emerging industries but also in the transformation of traditional manufacturing sectors, fueling continuous and robust growth momentum in the core automation components and motion control system solutions market.

- *Demand for automation value chain collaboration:* Amid intensifying market competition and growing emphasis on supply chain resilience, an increasing number of enterprise clients in downstream sectors of the core automation components and motion control system solutions market, such as industrial robot manufacturers, are shifting toward self-developed core automation components and motion control system solutions. By independently developing these solutions, enterprises can gain better control over product manufacturing costs, optimize their supply chain configurations, and improve their responsiveness to market fluctuations. Through in-house research and development of core technologies, these enterprises can customize and develop core automation components and motion control system solutions that align more closely with specific application scenarios, offer greater ease of operation, and exhibit high compatibility with their product features and customer requirements.

- *Growing demand from downstream industries:* Downstream industries such as industrial robots, electronics, and semiconductor manufacturing equipment are experiencing rapid growth and continuous technological advancements. These industries are increasingly demanding higher levels of production efficiency, precision, and automation, directly stimulating the need for high-performance motion control and numerical control systems from related manufacturing enterprises. The rapid development of these downstream industries is creating vast opportunities and sustained growth momentum for the core automation components and motion control system solutions market, as manufacturers seek to meet their evolving requirements for advanced automation technologies.

Development Trends of the Global Core Automation Components and Motion Control System Solutions Market

- *Digital factory transformation:* In the future, an increasing number of core automation component and system solution providers are expected to evolve into digital factory system solution providers. These companies will leverage their technological and product expertise in areas such as control, drives, sensing, and develop comprehensive digital factory architectures tailored to needs of customers. This transformation is focused on delivering one-stop, full-lifecycle solutions, encompassing all stages from design to production, as well as management and maintenance. The ultimate objective is to enable clients to achieve comprehensive optimization and intelligent upgrades of their production processes. These providers strive to deliver holistic factory solutions, integrating automation planning with operational models, supply chain management, and manufacturing management.

- *Industry Customization and Integrated Development:* Traditional general-purpose core automation components and motion control system solutions often fall short in addressing the emerging, highly individualized production demands of various industries. As a result, customized core automation components and motion control system solutions are increasingly gaining recognition and preference among clients. These solutions are specifically designed to accommodate unique mechanical structures, ensure user-friendly operation, and effectively resolve compatibility challenges across multiple automated devices. Simultaneously, an increasing number of core automation component and system solution providers are prioritizing integrated development to enable the efficient operation of multiple control units. By seamlessly combining products such as motion control systems, execution systems, and frequency converters, these providers aim to deliver comprehensive system solutions. This integrated approach seeks to streamline control systems, reduce operational costs, minimize data redundancy, and ultimately provide clients with more stable and efficient automation control capabilities to support their long-term development objectives.

Competitive Landscape of the Global Core Automation Components and Motion Control System Solutions Market

The global core automation components and motion control system solutions market is relatively fragmented. In 2024, more than 6,000 manufacturers operated in this space worldwide. The majority of these market participants focus on providing products within specific niche segments, with only a limited number possessing the comprehensive capabilities to deliver a full range of products and services across the entire value chain.

SOURCE OF INFORMATION

We commissioned Frost & Sullivan, an independent global consulting firm that offers industry research and market strategies and provides growth consulting and corporate training to conduct a detailed research on and analysis of the global industrial robotic solutions market and the global core automation components and motion control system solutions market. We have agreed to pay a fee of RMB480,000 to Frost & Sullivan in connection with the preparation of the Frost & Sullivan Report. We have extracted certain information from the Frost & Sullivan Report in this section, as well as in "Summary," "Business," "Financial Information," and elsewhere in this prospectus to provide our potential investors with a more comprehensive presentation of the industries where we operate. During the preparation of the Frost & Sullivan Report, Frost & Sullivan performed both primary and secondary research, and obtained knowledge, statistics, information, and industry insights on the industry trends of the target research markets. Primary research involved discussing the status of the market with leading industry participants and industry experts. Secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan's own database. Frost & Sullivan has independently verified the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan's research may be affected by the accuracy of assumptions used and the choice of primary and secondary sources.

The Frost & Sullivan Report was compiled based on the following assumptions: (i) the economy of Chinese Mainland and the global economy are likely to maintain steady growth in the near future; and (ii) the social, economic, and political environment of Chinese Mainland and the world is likely to remain stable from 2024 to 2029.

Our Directors confirm that, after making reasonable enquiries, there is no adverse change in the market information since the date of the Frost & Sullivan Report that may qualify, contradict or have a material impact on the information.

The PRC regulations that have a significant impact on our business operations are set out below:

REGULATIONS AND POLICIES RELATING TO THE INDUSTRIAL ROBOTICS INDUSTRY

The Implementation Measures for Standardized Management of the Industrial Robotics Industry (《工業機器人行業規範管理實施辦法》) ("Measures for Standardized Management" (《規範辦法》)) were issued by the Ministry of Industry and Information Technology (MIIT) in July 2017 and came into effect in August 2017. The latest revised version of the Measures for Standardized Management took effect on August 1, 2024. According to the Measures for Standardized Management, the MIIT adopts announcement-based management for industrial robot enterprises that meet the Standard Conditions of the Industrial Robotics Industry (《工業機器人行業規範條件》) ("Standard Conditions" (《規範條件》)). Enterprises may voluntarily apply. The MIIT reviews the application materials submitted by enterprises who apply for inclusion in the announcement, publicly discloses and officially publishes a list of industrial robot enterprises that meet the Standard Conditions, conducts supervision and inspections of these enterprises, and make adjustments to or revoke announcements as necessary.

The Standard Conditions were issued by the MIIT in December 2016, with the latest revised version taking effect in August 2024. The Standard Conditions specified requirements across several key areas, including basic requirements, technological capabilities and production conditions, quality requirements, personnel competence, sales and after-sales service, safety management, social responsibility, and regulatory compliance.

The Guidelines on Establishment of National Standards Systems for Intelligent Manufacturing (2024) (《國家智能製造標準體系建設指南(2024年版)》) were issued by the MIIT and the Standardization Administration of China in April 2025. The guidelines call for the unwavering implementation of the strategies for building China into a manufacturing and cyber power, the strengthening of standards as a foundation and guide, and the coordinated advancement of both domestic and international standardization efforts. The guidelines also emphasize the continuous improvement of top-level design for intelligent manufacturing standards, supporting the development of a modern industrial system with high-quality intelligent manufacturing standards, accelerating the development of new quality productive forces, promoting high-quality and new-type industrialization, and driving the transformation and upgrading of the manufacturing sector towards high-end, intelligent, and sustainable development.

The Guiding Catalogue for Industrial Structural Adjustment (2024 Edition) (《產業結構調整指導目錄(2024年本)》) promulgated by the NDRC in December 2023 mentioned that, the industries to be encouraged include intelligent manufacturing, which includes "robotics and integrated systems", including but not limited to professional and specialized robotics and integrated systems, high-precision speed reducers, high-performance servo systems, intelligent controllers, and intelligent integrated joints and other key components for robotics.

The Guiding Opinions on the Innovative Development of Humanoid Robots (《人形機器人創新發展指導意見》) were issued by the MIIT in October 2023. This document calls for promoting high-quality development of the humanoid robotics industry, fostering new quality productive forces, and enabling high-level support for new industrialization. It also sets the substantial enhancement of technological innovation capabilities in humanoid robotics and the establishment of a secure and reliable industrial and supply chain system by 2027 as key development goals.

The 14th Five-Year Plan for the Development of the Robotics Industry (《"十四五"機器人產業發展規劃》) was issued in December 2021 by the MIIT, the National Development and Reform Commission (NDRC), the Ministry of Science and Technology, the Ministry of Public Security, the Ministry of Civil Affairs, the Ministry of Housing and Urban-Rural Development, the Ministry of Agriculture and Rural Affairs, the National Health Commission, the Ministry of Emergency Management, the People's Bank of China, the State Administration for Market Regulation (SAMR), the former China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission (CSRC), the State Administration of Science, Technology and Industry for National Defense, and the National Mine Safety Administration. The plan clearly sets out the goal of accelerating the high-quality development of the robotics industry. It envisions that by 2025, China will become a global hub for technological innovation in robotics, a center for high-end manufacturing, and a leader in integrated applications; and by 2035, China's overall strength in the robotics industry is expected to reach a globally leading level, with robotics becoming an integral part of economic development, daily life, and social governance.

The 14th Five-Year Plan for the Development of Intelligent Manufacturing (《"十四五"智能製造發展規劃》) was issued in December 2021 by the MIIT, the NDRC, the Ministry of Education, the Ministry of Science and Technology, the Ministry of Finance (MOF), the Ministry of Human Resources and Social Security, the SAMR, and the State-owned Assets Supervision and Administration Commission of the State Council (SASAC). The plan calls for the vigorous development of intelligent manufacturing equipment and the strengthening of collaborative innovation among industry, academia, and research institutes to address weaknesses and gaps in key areas such as sensing, control, decision-making, and execution, with the aim of achieving breakthroughs in critical "bottleneck" components and devices.

The 14th Five-Year Plan for Economic and Social Development and Long-range Objectives Through the Year 2035 of the People's Republic of China (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) was issued by the State Council in March 2021. The plan calls for the in-depth implementation of intelligent manufacturing projects to advance the manufacturing sector towards high-end and intelligent development; fostering advanced manufacturing clusters and promoting innovation-driven development in industries such as robotics; the in-depth implementation of special programs to enhance the core competitiveness of the manufacturing sector and support technological transformation; encouraging enterprises to adopt advanced and applicable technologies, upgrade equipment, and scale up the application of new products; and the development of intelligent manufacturing demonstration factories and the improvement of the intelligent manufacturing standards system.

The State Council's Guiding Opinions on Deepening the Integration of the "Internet + Advanced Manufacturing" to Develop the Industrial Internet (2018–2020) (《國務院關於深化"互聯網+先進製造業"發展工業互聯網的指導意見(2018-2020年)》) were issued in November 2017 by the State Council. The document calls for focusing on key areas such as CNC machine tools, industrial robots, and large-scale power equipment to achieve integrated innovation in intelligent control, smart sensing, industrial-grade chips, and network communication modules, and to develop a new generation of intelligent equipment featuring networking, computing, and optimization capabilities.

The New Generation Artificial Intelligence Development Plan (《新一代人工智能發展規劃》) was issued by the State Council in July 2017. The plan calls for the development of intelligent industrial robots and intelligent service robots to achieve large-scale deployment and entry into international markets; overcoming technical challenges related to core components and specialized sensors of intelligent robots; and improving standards for hardware interfaces, software Interface protocols and safe operation for intelligent robots.

The Made in China 2025 (《中國製造2025》) was released in May 2015 by the State Council, which includes the "Intelligent Manufacturing Program (智能製造工程)" as top two of the nine key strategic projects. In the area of intelligent manufacturing, it clearly prioritizes breakthroughs in high-end CNC machine tools, industrial robots, additive manufacturing equipment, new types of sensors, and intelligent instruments.

The Guiding Opinions on Promoting the Development of the Industrial Robotics Industry (《關於推進工業機器人產業發展的指導意見》) were issued in December 2013 by the MIIT. The document calls for the development of industrial robot system integration technologies that meet user needs, host machine design technologies, and key component manufacturing technologies; achieving breakthroughs in a number of core technologies and critical components; improving the reliability and stability of widely used mainstream products; and promoting large-scale demonstration applications of industrial robots in key areas of industrial manufacturing.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) (the "Patent Law") is revised by the SCNPC on October 17, 2020 and came into effect on June 1, 2021. According to the Patent Law, when the invention or utility model patent is granted, unless otherwise stipulated in the Patent Law, without the approval of the patent owner, no entity or person shall implement the relevant patent, that is, manufacture, use, offer to sell, sell or import the patented products for business purposes, or use the patented method, or use, offer to sell, sell or import the products directly obtained with the patented method. Upon the grant of a design patent, no entity or person shall, without the approval of the patent owner, implement the relevant patent, that is, manufacture, offer to sell, sell or import the design patent products for business purposes. Implementing the patent without the approval of the patent owner constitutes the infringement of patent rights. Any dispute in connection with such issues shall be resolved by the relevant parties through negotiation. If the relevant parties refuse to negotiate or the negotiation fails, the patent owner or the relevant stakeholders may file a lawsuit in the people's court or turn to the patent administration authorities for handling. The amount of compensation for patent infringement shall be determined based on either the actual losses suffered by the patent owner due to the infringement or the profits obtained by the infringer therefrom. Where it is difficult to determine the losses of the patent owner or the gains derived by the infringer, the compensation amount shall be determined reasonably with reference to a multiple of the royalties of such patent. For willful infringement of patent rights under serious circumstances, the amount of compensation may be determined at not less than one time and not more than five times the amount calculated using the above methods.

Pursuant to the Rules for Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was amended by the State Council on December 11, 2023 and became effective on January 20, 2024, where the entity to which a patent right is granted does not agree with the inventor or the designer on, or to specify in its legitimately enacted company rules the way and the amount of reward, the entity shall reward the inventor or designer within 3 months from the date of the announcement of the patent right grant. The minimum reward for an invention patent shall not be less than RMB4,000; and the minimum reward for a utility model or design patent shall not be less than RMB1,500.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (the "Trademark Law") revised by the SCNPC on April 23, 2019 and came into effect on November 1, 2019, the registered trademark has a validity period of 10 years starting from the registration date. The trademark registrant enjoys the exclusive right to use the trademark. Any dispute in connection with the activities infringing the registered trademark set out in Article 57 of the Trademark Law shall be resolved by the relevant parties through negotiation. If the relevant parties refuse to negotiate or the negotiation fails, the trademark registrant or the relevant stakeholders may file lawsuits in the people's court or turn to the industrial and commercial administrative department for handling. The amount of compensation for trademark infringement shall be determined based on the actual losses suffered by the trademark owner due to the infringement. Where the actual losses are difficult to determine, the amount may be determined based on the profits obtained by the infringer from the infringement. Where it is difficult to determine the losses of the trademark owner or the profits derived by the infringer, the compensation shall be determined reasonably with reference to a multiple of the royalties of such trademark. For malicious infringement of the exclusive trademark right under serious circumstances, the amount of compensation may be determined at not less than one time and not more than five times the amount calculated using the above methods. The compensation shall also cover the reasonable expenses incurred by the trademark owner in stopping the infringement.

Copyright

Copyright (including software copyright) is mainly protected by the Copyright Law of the PRC (《中華人民共和國著作權法》) as promulgated on September 7, 1990 and last amended on November 11, 2020 by the SCNPC and the Implementing Rules of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) as promulgated on August 2, 2002 and last amended on January 30, 2013 by the State Council. Such law and rules prescribe that Chinese citizens, legal persons or other organizations enjoy copyright protection over their works, whether published or not, in the domain of literature, art and science.

In addition, Internet activities, products disseminated over the Internet and software products also enjoy copyright. Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration of the PRC (中華人民共和國國家版權局) (the "NCA") on February 20, 2002 and the Regulation on Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended by the State Council on January 30, 2013, the NCA is mainly responsible for the registration and management of software copyright in China; the Copyright Protection Center of China (中國版權保護中心) (the "**CPCC**") is recognised as the software registration organisation. The CPCC shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) and the Regulation on Protection of Computer Software (《計算機軟件保護條例》).

Domain names

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

LAWS AND REGULATIONS RELATING TO PRODUCT LIABILITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and most recently amended December 29, 2018 by the SCNPC, the sellers shall be responsible for the repair, replacement or return of the product sold if: (1) the product sold does not possess the properties for use that it should possess, and no prior and clear indication is given of such a situation; (2) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (3) the product sold does not conform to the quality indicated by such means as product description or physical sample. If a consumer incurs losses as a result of the purchased product, the seller shall compensate for such losses.

According to the Civil Code, if products are identified as defective after they have been put into circulation, the manufacturers or the sellers shall take remedial measures such as issuing warnings, alerts, calls and recall of products in a timely manner. In the event of damage arising from a defective product or the failure to take timely remedial actions, the infringed party may seek compensation from either the manufacturer or seller of such product. If the defect is caused by the seller, the manufacturer shall be entitled to seek reimbursement from the seller upon compensation of the victim. If the product was produced or sold with known defects, causing deaths or severe adverse health issues, the infringed party has the right to claim punitive damages in addition to compensatory damages.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

The Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) (the "Work Safety Law"), promulgated by the SCNPC on June 29, 2002, was most recently revised on June 10, 2021 and came into effect on September 1, 2021. Under the Work Safety Law, China enforces a liability and accountability mechanism for production safety accidents. Entities engaged in production and business operations must comply with national or industry work safety standards established in accordance with the law, and provide working conditions that meet the requirements of applicable laws, administrative regulations, and national or industry standards. Entities engaged in production and business operations are required to post prominent safety warning signs at workplaces and on facilities or equipment that involve significant hazards. The design, manufacturing, installation, use, inspection, maintenance, modification, and decommissioning of safety equipment must comply with national or industry standards.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) amended by the Standing Committee of the NPC and came into effect on December 29, 2018, the Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) amended by the State Council on July 16, 2017 and came into effect on October 1, 2017, and the Interim Measures for the Acceptance Examination of Environmental Protection Facilities of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the former Ministry of Environmental Protection and came into effect on November 20, 2017, enterprises planning for construction projects shall provide environmental impact reports, environmental impact statements and environmental impact registration forms relating to such projects. The environmental impact reports and environmental impact statements must be approved by the competent environmental protection authority prior to the commencement of any construction work, and the environmental impact registration forms must be filed with the said authority. Unless otherwise provided by laws and regulations, enterprises that are required to submit an environmental impact report and an environmental impact statement shall be solely responsible for the examination and acceptance of the environmental protection facilities upon the completion of the construction project. Construction projects shall not be officially put into production or use until their associated environmental protection facilities have passed acceptance inspections. The relevant regulatory authorities have the power to carry out random inspections and supervise the implementation of these facilities.

Enterprises and other producers that discharge pollutants shall take measures to prevent and control the environmental pollution and harm caused by the waste gas, waste water, waste residue and dust generated during production, construction or other activities. Enterprises and other producers and operators that discharge pollutants shall establish an environmental protection responsibility system and specify the responsibilities of the persons in charge of the units and the relevant personnel. Facilities for the prevention and control of pollution in a construction project shall be designed, constructed and put into operation simultaneously with the main work. The pollution prevention facilities shall comply with the requirements of the approved environmental impact assessment documents, and shall not be dismantled or left idle without authorization.

According to the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019) (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the Ministry of Ecology and Environment came into effect on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented based on factors such as the amount of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. The pollutant discharging entity subject to registration management does not need to apply for the pollutant discharge permit, but shall fill in the pollutant discharge registration form on the national pollutant discharge permit management information platform.

According to the Guidelines for the Registration of Pollutant Discharge for Stationary Pollution Sources (Trial Implementation) (《固定污染源排污登記工作指南(試行)》) issued by the Ministry of Ecology and Environment and came into effect on January 6, 2020, enterprises that do not need to apply for a pollutant discharge permit in accordance with the law shall carry out pollutant discharge registration in accordance with the relevant provisions.

LAWS AND REGULATIONS RELATING TO FIRE SECURITY

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》), or the Fire Prevention Law, promulgated by the NPC on April 29, 1998 and last amended on April 29, 2021, and the Interim Provisions on Design Inspection and Acceptance of Fire Protection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020, amended on August 21, 2023 and took effect on October 30, 2023, the competent housing and urban-rural development authority replaced fire prevention and rescue departments to monitor and administer the fire protection as-built acceptance check and filing. Upon completion of construction of a development project which is required to apply for fire safety inspection and acceptance as stipulated by the housing and urban-rural development authority, the developer shall apply to the housing and urban-rural development authority for fire safety inspection and acceptance. For other development projects, the developer shall complete filing formalities with the housing and urban-rural development authority following the inspection and acceptance, the housing and urban-rural development department shall conduct spot check. Pursuant to the Fire Prevention Law, the construction project that fails to complete as-built acceptance check on fire prevention shall be ordered by the relevant government authorities to close and shall be fined not less than RMB30,000 but not more than RMB300,000. The construction project that fails to complete fire safety filing shall be ordered to rectify and be subject to a fine of up to RMB5,000.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) taking effect on January 1, 1995 and revised on December 29, 2018 and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)(the "Labor Contract Law") taking effect on January 1, 2008 and revised on December 28, 2012, the labor contract shall be signed when the employer establishes labor relationship with the employee. Labor contracts, divided into fixed-term labor contracts, non-fixed-term labor contracts and labor contracts which expire upon completion of agreed assignments, shall be signed in written after negotiation and agreement. The wage shall not be less than the local minimum wage standard. The employer and the worker shall fully perform the obligations in accordance with the labor contract.

Pursuant to the Labor Contract Law, more stringent requirements are imposed on the use of temporary personnel (known in China as "dispatched workers"). Dispatched workers shall enjoy the right to equal pay for equal work as full-time employees. Employing entities are permitted to use dispatched workers only for temporary, auxiliary, or substitute positions. According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) issued by the Ministry of Human Resources and Social Security and effective from March 1, 2014, the number of dispatched workers employed by an entity shall not exceed 10% of its total workforce. If the violation is not rectified within the prescribed period, the employing entity may be fined not less than RMB5,000 and not more than RMB10,000 for each dispatched worker exceeding the 10% limit.

Social Insurance and Housing Provident Fund

Under PRC laws, rules and regulations, including the PRC Social Insurance Law (《中華人民共和國社會保險法》)(the "Social Insurance Law") promulgated by the SCNPC in October 2010, which became effective in July 2011 and amended in December 2018, the Interim Measures on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》) promulgated in January 1999 and amended in March 2019, the Regulations on Work Injury Insurance (《工傷保險條例》) issued by PRC State Council in April 2003 and amended in December 2010, the Regulations on Unemployment Insurance (《失業保險條例》) promulgated by PRC State Council in January 1999 and the Regulations on the Administration of Housing Accumulation Funds (《住房公積金管理條例》) (or referred to the "Regulations on Housing Fund") released by PRC State Council in April 1999 and last amended in March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds and implement certain employee benefit plans, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and housing accumulation funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the deficit amount. According to the PRC Social Insurance Law, an employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of 0.05% per day, as the case may be. If the employer still fails to rectify the failure to make social insurance contributions within the deadline, it may be subject to a fine ranging from one to three times the amount overdue. According to the Regulations on Housing Fund, an enterprise that fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement.

REGULATIONS RELATING TO REAL ESTATE

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 with effect from January 1, 2020, lands owned by the state might be transferred or allotted to construction entities or individuals in accordance with the law.

According to the Civil Code, the creation, alteration, alienation, or extinguishment of a real property right that is required by laws to be registered becomes effective at the time when it is recorded in the register of immovable property. Real property ownership certificate is the proof of a right holder's entitlement to the real right in the immovable property.

Pursuant to the Interim Regulation on Real Property Registration (《不動產登記暫行條例》), promulgated on November 24, 2014, last amended on March 10, 2024, and effective as of May 1, 2024, and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》), promulgated on January 1, 2016, latest amended on May 9, 2024, and effective as of May 21, 2024, the state implements a uniform real estate registration system and the registration of real estate shall be strictly administered and carried out in a stable and continuous manner that provides convenience for people. Real estate registration is administered by the real estate registration authority of the local people's government at the county level or above.

LAWS AND REGULATIONS RELATING TO THE LEASING OF PROPERTY

Pursuant to the Administrative Measures for the Leasing of Commodity Housing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on December 1, 2010 and taking effect on February 1, 2011, within 30 days after the execution of the housing lease contract, parties to the leasing of housing shall handle the registration and filing procedure of the leasing of housing at the departments in charge of construction (real estate) of the governments in the municipality directly under the People's Governments of centrally administered municipalities, municipalities or counties where the leased housing is located. In the event that parties to the leasing of housing fail to handle the registration and filing procedure of the leasing of housing, the department in charge of construction (real estate) of the people's government in the municipality directly under the People's Governments of centrally administered municipalities, municipalities or counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed.

Furthermore, under any of the following circumstances, the properties shall not be let out: (1) illegal buildings; (2) buildings which do not comply with mandatory project construction standards such as safety, disaster prevention, etc.; (3) change of nature of property use which violates the provisions; or (4) any other circumstances for which leasing is prohibited as stipulated by laws and regulations. Persons who violate the provisions above shall be ordered by the development (real estate) department of the People's Governments of centrally administered municipalities, municipalities or counties to make correction within a stipulated period; where there is no illegal income, a fine of not more than RMB5,000 may be imposed; where there is an illegal income, a fine ranging from one to three times the amount of illegal income may be imposed, subject to a maximum of RMB30,000.

According to the Civil Code, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the lessor transfers the premises, the lease contract between the lessee and the lessor will still remain valid. Where the mortgaged property has been leased and the possession thereof has been transferred before the creation of mortgage, the original lease relations shall not be affected by the mortgage.

LAWS AND REGULATIONS RELATING TO ANTI-UNFAIR COMPETITION

Anti-Monopoly Law

The Anti-Monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》) (the "Anti-Monopoly Law") which was promulgated by the SCNPC on August 30, 2007 with effect from August 1, 2008, as revised on June 24, 2022 with effect from August 1, 2022, applies to the monopolistic practices in domestic economic activities in China as well as the monopolistic practices outside China which have exclusion or restriction effects on domestic market competition. The monopolistic practices under the Anti-Monopoly Law include monopoly agreement reached by operators, abuse of market dominating position by operators and the concentration of operators which has an effect of eliminating or restricting competition. The anti-monopoly enforcement agencies of the State Council may, according to work requirements, delegate relevant anti-monopoly enforcement tasks to the corresponding agencies of the people's governments of provinces, autonomous regions and centrally-administered municipalities pursuant to the provisions of Anti-Monopoly Law. Operators who violate the Anti-Monopoly Law may be ordered by the enforcement agencies to stop the illegal act, be imposed a fine or be subject to other restrictive measures.

Anti-unfair Competition Law

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "Anti-Unfair Competition Law") which was promulgated by the SCNPC on September 2, 1993 and last amended on April 23, 2019, operators shall comply with the principle of voluntariness, equality, fairness, integrity and abide by laws and business ethics in production and business operations. Under the Anti-Unfair Competition Law, unfair competition refers to an operator who disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the Anti-Unfair Competition Law in their production and business operations. Operators who violate the Anti-Unfair Competition Law shall bear corresponding civil, administrative or criminal responsibilities depending on the specific circumstances.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal law governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) (the "Forex Regulations") which was promulgated by the State Council on January 29, 1996, effective on April 1, 1996 and last amended on August 1, 2008. Pursuant to the Forex Regulations, Renminbi is generally freely convertible for payments of current account items, such as trade and service related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside the PRC unless prior approval of the SAFE or the competent local counterparts is obtained.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (Hui Fa [2014] No. 54) (《關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)) issued by the SAFE and became effective on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the foreign exchange authority at the place of its incorporation.

According to the Circular of the SAFE on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary foreign exchange settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary foreign exchange settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. The discretionary exchange settlement ratio of foreign exchange receipts under the capital account of domestic entities is tentatively set as 100%. The SAFE may adjust the above proportion in due time based on international balance of payments. While voluntary settlement of foreign exchange receipts under the capital account is implemented, domestic institutions may still opt to use their foreign exchange income in accordance with the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions' foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not, directly or indirectly, be used for expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations of the state. Unless otherwise specified, the funds shall not, directly or indirectly, be used for investments in securities or other investments or wealth management other than banks' principal-secured products. The funds shall not be used for the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope. The funds shall not be used for the construction and purchase of residential real estate for purposes other than self-use (except for real estate enterprises).

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business by the SAFE (《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》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using receipts under their capital accounts, such as their capital funds, foreign credits and the income from overseas listing, with no need to provide the evidentiary materials concerning authenticity on a transaction-by-transaction basis to banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of receipts under capital accounts. Local foreign exchange authorities shall strengthen monitoring analysis and in-process and post regulation.

LAWS AND REGULATIONS RELATING TO TAXATION

Income tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated by the SCNPC on March 16, 2007 with effect from January 1, 2008 and last amended on December 29, 2018, and the Regulations on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council on December 6, 2007 with effect from January 1, 2008 and amended on December 6, 2024, all domestic enterprises in China (including foreign-invested enterprises) shall be subject to enterprise income tax (EIT) at the uniform tax rate of 25%, except for the high-tech enterprises provided by the State, which will be subject to enterprise income tax at the reduced rate of 15%, or the qualified small low-profit enterprises, which will enjoy the reduced EIT rate of 20%.

Enterprises that are recognized as high-tech enterprises in accordance with the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) are entitled to enjoy the preferential EIT rate of 15%. The validity period of the high-tech enterprise qualification shall be three years from the date of issuance of the certificate of high-tech enterprise.

According to the Announcement on EIT Policies for Promoting High-quality Development of Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》), which was promulgated by the Ministry of Finance of the PRC (中華人民共和國財政部) (the "MOF"), the SAT, the NDRC and the MIIT on December 11, 2020 and came into effect on January 1, 2021, the qualified integrated circuit design, equipment, materials, packaging, testing and software enterprises enjoy the EIT exemption for the first two years starting from the first profit-making year of the enterprise, and a half-rate reduction of the EIT of 25% from the third to the fifth year (that is 12.5%). Key integrated circuit design enterprises and software enterprises encouraged by the State, starting from the first profit-making year of the enterprise, enjoy the EIT exemption for the first five years, and are subject to a reduced EIT rate of 10% in subsequent years.

According to the Circular of the Ministry of Finance and the State Administration of Taxation on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (《財政部、國家稅務總局關於實施小微企業普惠性稅收減免政策的通知》), during the period from January 1, 2019 to December 31, 2021, the annual taxable income of small low-profit enterprises that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25% with the applicable EIT rate of 20%. According to the Announcement on Implementation of Preferential Income Tax Policies for Micro and Small Enterprises and Individually-owned Businesses (《關於實施小微企業和個體工商戶所得稅優惠政策的公告》) and the Announcement of the State Taxation Administration on Matters Concerning the Implementation of Preferential Income Tax Policies Supporting the Development of Small Low-Profit Enterprises and Individually-owned Businesses (《國家稅務總局關於落實支持小型微利企業和個體工商戶發展所得稅優惠政策有關事項的公告》), during the period from January 1, 2021 to December 31, 2022, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 12.5%, with the applicable EIT rate of 20%. According to the Announcement of the MOF and the SAT on the Preferential Income Tax Policies for Micro and Small Enterprises and Individually-owned Businesses (《財政部、國家稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》) and the Announcement of the MOF and the SAT on the Relevant Tax and Fee Policies for Further Supporting the

Development of Micro and Small Enterprises and Individually-owned Businesses (《財政部、稅務總局關於進一步支援小微企業和個體工商戶發展有關稅費政策的公告》), during the period from January 1, 2023 to December 31, 2027, the portion of annual taxable income of a small low-profit enterprise not exceeding RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable EIT rate of 20%.

Value-added tax ("VAT")

The Provisional Regulations on VAT of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated on December 13, 1993 with effect from January 1, 1994 and last amended on November 19, 2017, and the Detailed Rules for Implementing the Provisional Regulations on VAT of the PRC (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated on December 25, 1993 with effect from the same date and last amended on October 28, 2011 with effect from November 1, 2011, set out that entities and individuals engaging in sale of goods or processing, repair and assembly services (the "labor services"), sale of services, intangible assets, real properties and importation of goods in the PRC shall be taxpayers of VAT, and shall pay VAT pursuant to these regulations. The tax rate for taxpayers engaging in sale of goods, labor services, lease of tangible movables or importation of goods shall be 17%, unless otherwise stipulated. The tax rate for taxpayers engaging in the sale of transport services, postal services, basic telecommunications services, construction services, or real property leasing services, the sale of real properties, the transfer of land use rights, the sale or importation of certain goods shall be 11%. The tax rate for taxpayers engaging in the sale of services and intangible assets shall be 6%, unless otherwise stipulated. The tax rate for taxpayers engaging in exportation of goods shall be zero, unless otherwise stipulated by the State Council. According to the Notice of the MOF and the SAT on Adjusting VAT Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) issued on April 4, 2018 and effective on May 1, 2018, the rates of 17% and 11% applicable to the taxpayers who engage in VAT taxable sales activities or importation of goods are adjusted to 16% and 10%, respectively. According to the Announcement on Relevant Policies for Deepening VAT Reform (《關於深化增值稅改革有關政策的公告》) issued by the MOF, the SAT and the General Administration of Customs of the PRC (中華人民共和國海關總署) on March 20, 2019 with effect from April 1, 2019, the VAT rates are adjusted to 13% and 9%, respectively.

In addition, according to the Announcement on Clarifying the Value-Added Tax Exemption Policy for Small-Scale Taxpayers (《關於明確增值稅小規模納稅人免徵增值稅政策的公告》) promulgated by the MOF and the SAT on March 31, 2021, from April 1, 2021 to December 31, 2022, small-scale VAT taxpayers with monthly sales of less than RMB150,000 (inclusive) are exempted from VAT. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Exempting Small-Scale VAT Taxpayers from VAT (《財政部、稅務總局關於對增值稅小規模納稅人免徵增值稅的公告》), from April 1, 2022 to December 31, 2022, a small-scale VAT taxpayer's taxable sales income to which the VAT rate of 3% applies shall be exempted from VAT, and the VAT on its items subject to prepayment of VAT at the rate of 3% shall be suspended. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Clarifying the Policy of Reducing and Exempting Value-added Tax for Small-scale VAT Taxpayers (《財政部、稅務總局關於明確增

值稅小規模納稅人減免增值稅等政策的公告》) and the Announcement of the Ministry of Finance and the State Taxation Administration on the Policy of Reducing and Exempting Value-added Tax for Small-scale VAT Taxpayers (《財政部、稅務總局關於增值稅小規模納稅人減免增值稅政策的公告》), from January 1, 2023 to December 31, 2027, small-scale VAT payers with monthly revenue below RMB100,000 (inclusive) shall be exempted from VAT; a small-scale VAT taxpayer's taxable sales income to which the VAT rate of 3% applies shall be subject to VAT at the reduced rate of 1%; and the VAT on its items subject to prepayment of VAT at the rate of 3% shall be prepaid at the reduced rate of 1%.

REGULATION RELATING TO IMPORTATION AND EXPORTATION OF GOODS

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and last amended on December 30, 2022, the competent department for foreign trade under the State Council is in charge of foreign trade throughout the country. This department shall work with other relevant departments under the State Council to formulate, adjust and issue a catalogue of goods and technologies that are restricted or prohibited from import and export. The competent department for foreign trade under the State Council, or together with other relevant departments under the State Council, may, with the approval of the State Council, make temporary decisions to restrict or prohibit the import and export of specific goods and technologies not included in the aforesaid catalogue to the extent permitted by laws.

According to the Notice on Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the General Administration of Customs of the PRC on January 3, 2023 and came into force on the same day, and the Provisions on the Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated on November 19, 2021 and came into force on January 1, 2022, starting from January 3, 2023, where a consignee or consignor of imported or exported goods or a customs declaration enterprise applies for filing, it shall obtain the qualification of market entities but is not required to obtain the filing with the foreign trade operator.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

The PRC Company Law

The Company Law of the PRC ("Company Law" or "PRC Company Law") was promulgated by the SCNPC on December 29, 1993, came into effect on July 1, 1994, revised on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, and December 29, 2023, respectively, and the latest revision of which was implemented on July 1, 2024. Under the PRC Company Law, companies are generally classified into limited liability companies and joint stock limited companies. The PRC Company Law also applies to foreign-invested enterprises.

Foreign Investment Law

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "Foreign Investment Law") promulgated by the NPC came into effect on January 1, 2020. Since then, the Law of the PRC on Sino-Foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》) and the Law of the PRC on Wholly Foreign-Owned Enterprise (《中華人民共和國外資企業法》) and the Law of the PRC on Sino-Foreign Cooperative Joint Ventures (《中華人民共和國中外合作經營企業法》) had been abolished, and the Foreign Investment Law has become the basic law regulating foreign-invested enterprises which are wholly or partially invested by foreign investors. The organization form, institutional framework and standard of conduct of foreign-invested enterprises shall also be subject to the provisions of the PRC Company Law and other laws. The PRC government will implement the management system of pre-entry national treatment and the Negative List for foreign investment and has abolished the original approval and filing administration system for the establishment and change of foreign-invested enterprises. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC. The PRC accords national treatment to foreign investment outside of the Negative List. The current Negative List is the Special Management Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單) (2024年版)》) (the "Negative List") issued by the NDRC and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the "MOFCOM") on September 6, 2024 with effect from November 1, 2024. The Negative List lists the special management measures for foreign investment access for the regulated industries, such as equity requirements and senior management requirements. Our business did not fall under the Negative List.

While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM. The foreign investment information reporting is subject to the Foreign Investment Information Reporting Method (《外商投資信息報告辦法》), which is jointly developed and implemented by the MOFCOM and the SAMR on January 1, 2020. According to the Foreign Investment Information Reporting Method, foreign investors who directly or indirectly carry out investment activities in China shall submit investment information to the competent commercial department through the enterprise registration system and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統); the reporting methods include initial reports, change reports, cancellation reports, and annual reports.

LAWS AND REGULATIONS RELATING TO INFORMATION SECURITY AND DATA PROTECTION

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "Cybersecurity Law"), which came into effect on June 1, 2017. The Cybersecurity Law requires the network operators to fulfill certain functions related to network security protection and to strengthen the management of network information.

On April 13, 2020, thirteen PRC governmental and regulatory authorities, including the Cyberspace Administration of China, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which was last amended on December 18, 2021, and came into effect on February 15, 2022. The Measures for Cybersecurity Review specifies that, the Cybersecurity Review Office may initiate a cybersecurity review if any network products and services, data processing activities or overseas listing of companies affect or may affect national security.

On September 24, 2024, the State Council promulgated the Regulations on Network Data Security Management (《網絡數據安全管理條例》), which came into effect on January 1, 2025. This regulation clarifies the general provisions on network data security management, and also further supplements and refines the specific requirements on personal information protection, important data security management, cross-border security management of network data, and obligations of network platform.The Regulations on Network Data Security Management applies to network data handling activities and the supervision and administration of security thereof carried out within the territory of the People's Republic of China. As our operation does not involve network data handling activities, the Regulations on Network Data Security Management would not have material adverse impacts on our operational and financial performance.

LAWS AND REGULATIONS RELATING TO OVERSEAS INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) which was issued by the MOFCOM on September 6, 2014 with effect from October 16, 2014, the MOFCOM and the commerce departments at provincial levels shall conduct filing or confirmation management depending on different circumstances of overseas investments of enterprises. Overseas investments of enterprises involving any sensitive country or region, or any sensitive industry shall be subject to confirmation management. Overseas investments of enterprises under other circumstances shall be subject to filing management.

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) which was issued by the NDRC on December 26, 2017 and became effective on March 1, 2018, an enterprise in the territory of the PRC (the "Investor") carrying out overseas investments shall undergo formalities including the examination or filing for an overseas investment project (the "Project(s)"), report the relevant information, and cooperate in supervisory inspection. Sensitive projects conducted by Investors directly or through overseas enterprises controlled by them shall be subject to confirmation management.

Non-sensitive projects conducted by Investors directly, namely, non-sensitive projects involving Investors' direct contribution of assets, equity or provision of financing or guarantees, shall be subject to filing management. The aforementioned sensitive projects include projects involving a sensitive country or region or a sensitive industry. The Catalogue of Sensitive Sectors for Outbound Investment (2018) (《境外投資敏感行業目錄(2018年版)》) promulgated by the NDRC became effective on March 1, 2018, which listed out the sensitive industries in detail.

According to the Circular on Promulgating the Administrative Provisions on Foreign Exchange of the Outbound Direct Investments of Domestic Institutions (《關於發佈境內機構境外直接投資外匯管理規定的通知》) promulgated by the SAFE on July 13, 2009 with effect from August 1, 2009 and the Circular on Issues Relating to Further Simplifying the Direct Investment-related Foreign Exchange Administration (《關於進一步簡化直接投資外匯管理有關問題的通知》) promulgated by the SAFE on February 13, 2015 with effect from June 1, 2015, which was partially repealed on December 30, 2019, Chinese enterprise that has been permitted to make outbound investments shall go through foreign exchange registration procedures for outbound direct investments at local banks where such enterprise was incorporated.

The Company had incorporated several overseas subsidiaries, and such investments are subject to regulations on overseas investment of PRC.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTINGS

On July 6, 2021, certain PRC regulatory authorities issued the Opinions on Strictly Cracking Down on 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》), which further emphasized to strengthen cross-border regulatory cooperation, to improve relevant laws and regulations on data security, cross-border data transmission, and confidential information management, and provided that efforts will be made to revise the regulations on strengthening the confidentiality and archives management related to overseas securities offerings and listings, to implement the primary responsibility on information security of companies listed in overseas market, and to strengthen the standardized management of cross-border information provision mechanisms and procedures.

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures") and five supporting guidelines, which came in to effect on March 31, 2023. Pursuant to the Trial Measures, PRC domestic enterprises that directly or indirectly offer or list their securities in an overseas market, which include (1) any PRC enterprise limited by shares; and (2) any offshore enterprise that conducts its business operations primarily in China and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests, are required to file with the CSRC within three working days after its application for overseas listing is submitted. Subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed. Subsequent securities issuances and listings conducted by the issuer in other overseas markets shall be filed as initial public offering. Failure to complete the filing under the Trial Measures may subject a PRC domestic enterprise to rectification ordered by the CSRC, warning, and fine of RMB1 million to RMB10 million.

Moreover, upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within three working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Where an issuer's main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within three working days after occurrence of the changes.

According to the Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Trial Measures provides that an overseas listing or offering is explicitly prohibited, if any of the following applies: (i) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (ii) an overseas offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) and the actual controller, 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; (iv) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Provisions on Confidentiality"), which became effective on March 31, 2023. Pursuant to the Provisions on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and those that need to leave the PRC shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

LAWS AND REGULATIONS OF GERMANY

Below is an overview of the laws and regulations materially relevant to our business in Germany.

PRODUCT SAFETY AND OCCUPATIONAL HEALTH & SAFETY

In addition to civil and liability law obligations, compliance with extensive public-law requirements in connection with the manufacturing, integration, and placing on the market of technical products must be ensured. These requirements derive primarily from product safety (*Produktsicherung*) and occupational health & safety (*Arbeitssicherung*) legislation. Their purpose is to protect end users, employees, and the general public from the technical hazards associated with industrial machinery and systems — in particular welding equipment, robotics, and automation systems.

Product Safety

The central legal framework is the German Product Safety Act (*Produktsicherheitsgesetz — ProdSG*). Under this law, manufacturers, importers, and distributors may only place products on the German market that do not endanger safety or health when used as intended or in a reasonably foreseeable way. A conformity assessment is required and typically culminates in affixing the CE marking and preparing technical documentation, which must include a risk assessment, operating and maintenance instructions, as well as safety and disposal guidance. Where safety-relevant defects are identified, recall and information duties toward market surveillance authorities and end users arise.

In the case of machinery, the ProdSG is supplemented by the 9th Ordinance to the ProdSG (Machinery Regulation), implementing the provisions of the EU Machinery Directive. Among other things, it requires compliance with essential safety and health protection requirements in design, control, and operation; a risk assessment in accordance with DIN EN ISO 12100; the implementation of functional safety measures (e.g., emergency stop devices, light barriers); and the provision of German-language operating instructions. Beginning in 2027, the Machinery Directive will be replaced by the EU Machinery Regulation (Regulation (EU) 2023/1230), which will introduce broader obligations — especially in software, cyber security, and AI functionality.

Compliance with these requirements is mandatory, whether delivering individual components or fully integrated plant solutions.

Occupational Health & Safety

In addition to product safety, employer duties under occupational health & safety laws (*Arbeitsschutz*) must be observed, specifically the German Occupational Health & Safety Act (*Arbeitsschutzgesetz — ArbSchG*) and related ordinances. Employers must assess all work equipment and processes for potential hazards, implement appropriate technical, organizational, or personal protective measures, document these measures, and provide regular employee training sessions.

Particular care must be taken when using welding equipment, robotics, and automated systems. Employers must evaluate risks linked to mechanical hazards, thermal exposure, electrical dangers, and the radiation effects of arc welding. Hence, the safety-conscious design of products and the clear and complete provision of user information is essential from an occupational safety standpoint.

PRODUCT LIABILITY ACT

Product liability law (*Produkthaftungsgesetz*) becomes relevant in particular where defective products cause damage. The German Product Liability Act (*Produkthaftungsgesetz — ProdHaftG*) applies where a defective product results in damage to life, body, health, or private property of a consumer. The Act primarily concerns manufacturers, distributors, and importers of movable goods, even where such goods are incorporated into other products — for example, a control unit within a welding system. The German Product Liability Act is based on the EU Product Liability Directive (85/374/EEC) and establishes a strict (no-fault) liability regime. This means that liability arises irrespective of any individual fault or negligence on the part of the manufacturer.

According to Section 1 para. (1) ProdHaftG, a manufacturer is liable if, as a result of a product defect, a person is killed or injured, or an object of private property is damaged, provided the damage exceeds EUR500. The decisive factor is solely that a defective product has been placed on the market; misconduct or negligence on the part of the manufacturer is not required.

Pursuant to Section 3 ProdHaftG, a product is considered defective if it does not provide the safety that one is entitled to expect, taking all circumstances into account. The law distinguishes between different types of defects:

- A design defect (*Konstruktionsfehler*) exists when the product is dangerous due to its design;

- A manufacturing defect (*Fabrikationsfehler*) arises when the product deviates from its intended specification during the manufacturing process;

- An instruction defect (*Instruktionsfehler*) occurs when necessary safety instructions are missing or insufficient — for example, in the case of a welding device that lacks adequate warnings regarding overheating and, as a result, causes a fire. In such cases, product liability may arise even if the materials and manufacturing process were flawless.

Pursuant to Section 1 para. (2) ProdHaftG, the manufacturer may only be exonerated from liability under narrowly defined conditions. Such exculpation is possible if:

- the defect could not have been detected according to the state of scientific and technical knowledge at the time the product was placed on the market (so-called development risk),

- the product was not placed on the market by the company, or

- the defect was due to mandatory legal provisions.

With respect to limitation periods, Section 12 ProdHaftG provides for a standard limitation period of three years from knowledge of the damage and the liable party, and an absolute limitation period of ten years from the date the product was first placed on the market. According to Section 10 ProdHaftG, the maximum liability is capped at EUR85 million per incident.

Overall, the Product Liability Act represents a significant legal risk for manufacturers and providers of technical products, as it ensures comprehensive consumer protection and imposes liability regardless of fault.

PROVISIONS OF THE GERMAN CIVIL CODE (BGB) AND RELATED REGULATIONS

Provisions on the Sale of Goods (Kaufrecht) (Sections 433 et seq. BGB) and on Contracts for Work and Services (Werkvertragsrecht) (Sections 631 et seq. BGB)

In addition to the special statutory provisions, the general contractual obligations under the German Civil Code (*Bürgerliches Gesetzbuch — BGB*) apply in commercial transactions. These provisions are regularly relevant in the context of the supply of technical products and the performance of related services.

In particular, the law of sales of goods (*Kaufrecht*) (Sections 433 *et seq*. BGB) and the law on contracts for work and services (*Werkvertragsrecht*) (Sections 631 *et seq*. BGB) are applicable. These provisions establish primary and secondary contractual obligations and provide the purchaser or client with specific legal remedies in the event of a breach of contract.

The law of sales of goods (*Kaufrecht*) becomes (in particular) relevant whenever a product — such as a welding unit, a robotic component, or a complete control system — is sold to a customer. In such cases, Section 433 para. (1) BGB obliges the seller to deliver the product free of material and legal defects and to transfer ownership to the buyer. The decisive provision for assessing whether a defect (*Mangel*) exists is Section 434 BGB, under which a product is deemed defective if it lacks the agreed quality, is unfit for the presumed or usual use, or does not exhibit the quality normally expected in items of the same kind. If such a material or legal defect is present, the buyer is entitled under Section 437 BGB to a range of legal remedies, including subsequent performance (*Nacherfüllung*) (repair or replacement) (*Nachbesserung oder Ersatzlieferung*), withdrawal from the contract (*Rücktritt vom Vertrag*), reduction of the purchase price (*Minderung*), or — subject to additional conditions — damages (*Schadenersatz*).

In business-to-business transactions (B2B), warranty rights may generally be modified or excluded — for instance, through general terms and conditions or individually negotiated contractual clauses. However, any exclusion of liability in the case of fraudulent concealment of a defect (*arglistigem Verschweigen*) remains invalid pursuant to Section 444 BGB.

In addition to the law of sales of goods (*Kaufrecht*), the law of contracts for work and services (*Werkvertragsrecht*) typically applies to project-related services — for example, the integration of automation solutions, the commissioning of production lines, or the customization of control systems. Pursuant to Section 631 BGB, the contractor is obliged to produce a specific result (e.g. a fully functioning and operational production facility). The delivered work must be free from material and legal defects in accordance with Section 633 BGB. In the event of defects, the customer is entitled to remedies pursuant to Sections 634 et seq. BGB, including supplementary performance (*Nacherfüllung*), self-remedy with reimbursement of expenses *(Selbstvornahme mit Aufwendungsersatz)*, contract rescission (*Rücktritt vom Vertrag*) or price reduction *(Minderung)*, as well as damages *(Schadenersatz)*, provided the statutory conditions are met.

In practice, many technical delivery agreements are of a hybrid nature. The legal qualification of such contracts as sales, service, or mixed-purpose contracts depends on the focus of the contractual obligations. If, in addition to the delivery of key components, implementation, installation, and commissioning are also owed, such contracts are typically regarded as combined sales and service contracts, to which both the sales law and the law governing contracts for work and services apply.

The aforementioned BGB provisions therefore form the contractual foundation for civil liability in cases of defective delivery or inadequate performance of services and supplement — in part overlapping — the strict liability under the Product Liability Act (*ProdHaftG*).

In this context, it should be noted that the principle of freedom of contract (*Prinzip der Vertragsfreiheit — Privatautonomie)* constitutes a fundamental element of private autonomy in Germany. This includes, in particular, the freedom to enter into or refuse contracts at one's discretion (freedom to contract) as well as the ability to freely determine the content of a contract (freedom of content), provided that such arrangements do not contravene statutory prohibitions, mandatory legal provisions, or public policy (*guten Sitten*). Limitations arise in particular from mandatory consumer protection laws, competition law, and the statutory control of standard terms and conditions (*Allgemeine Geschäftsbedingungen*) (Sections 305 *et seq*. BGB). In B2B transactions, contractual freedom (*Gestaltungsfreiheit*) is generally interpreted more broadly, allowing contractual modifications or exclusions of liability, scope of services, or warranty rights, unless these violate statutory prohibitions (*gesetzliche Verbote*) or the rules on fraudulent concealment (*arglistiges Verhalten*) (Section 444 BGB).

Transport and Freight Regulations

In addition to the aforementioned civil and public law requirements, it should also be noted that transport-related provisions under freight and forwarding law may be applicable — particularly in connection with the domestic and cross-border delivery of machinery, systems, or components. In this regard, the relevant legal basis is found in Sections 407 *et seq*. of the German Commercial Code (*Handelsgesetzbuch — HGB*) concerning contracts of carriage (*Frachtvertrag*) and Sections 453 et seq. HGB concerning forwarding contracts (*Speditionsvertrag*). These provisions apply where a company acts either as the consignor or carrier itself, or is contractually involved in the organization of transport services.

Freight law governs, in particular, the duties and liabilities of the carrier with respect to the proper execution of the transport, including liability for any loss or damage to the goods. In the case of forwarding agents, additional provisions apply, such as those concerning the duty of due selection and documentation obligations. Where goods are transported across borders, applicable international conventions must also be considered, including, for example, the CMR Convention for road freight and the Montreal Convention for air freight.

In addition, freight law is especially relevant when complex installations are transported, assembled, or delivered to customer sites for commissioning as part of supply agreements. Freight law considerations may also arise in the context of returns or repairs of machinery, particularly in cases involving defect rectification or warranty claims. In such scenarios, it is essential to determine who bears the transport risk, which delivery terms (e.g. Incoterms) have been agreed upon, and whether there is an obligation for the supplier or the customer to procure transport insurance. In these cases, familiarity with and adherence to the applicable freight law provisions is as critical as their proper contractual integration into the underlying delivery relationships.

EXPORT CONTROL

In addition to the aforementioned civil and public law requirements, it must also be noted that certain products — particularly those with potential military applications — are subject to special foreign trade law licensing requirements.

The export of so-called dual-use goods (i.e. products that can be used for both civilian and military purposes), military equipment, and items subject to embargo or sanctions regimes is subject to specific control procedures.

The export control procedure essentially comprises several sequential steps. First, the exporting company must assess whether the item to be exported is subject to export control. This involves a classification of the item based on the relevant control lists as well as an examination of whether the destination country is subject to embargo restrictions or whether the recipient is listed on a national or European sanctions list.

If this assessment results in a licensing requirement, the exporter is generally required to obtain what is known as an end-use certificate (*Endverbleibserklärung — EVE*) from the foreign recipient. In this certificate, the recipient confirms, among other things, that the item will be used solely for the declared purpose, will not be transferred to third parties, and will not be re-exported to a sanctioned country.

Following this, the exporter must apply for an export license from the Federal Office for Economic Affairs and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle — BAFA*). BAFA is the competent German authority for export control matters and operates under the Federal Ministry for Economic Affairs and Climate Action. It assesses export applications based on foreign, security, and economic policy considerations and issues export licenses if all legal requirements are met.

The export license application must be accompanied by a technical description of the goods, the relevant commercial documents, and the end-use certificate. BAFA may review the application independently or in cooperation with other authorities such as the Federal Foreign Office, the Federal Ministry of Defence, or the intelligence services. Depending on the outcome of the review, the license may be granted (potentially with conditions) or denied, particularly in the case of security concerns or violations of embargo regulations.

Irrespective of the licensing requirement, any export with a value exceeding EUR1,000 must also be registered electronically via the ATLAS customs system. The export license number issued by BAFA must be indicated. Before the actual export takes place, a final inspection is carried out by the customs authorities. If no valid license is available, the export may be prohibited. Furthermore, administrative sanctions, fines, or criminal penalties may be imposed in accordance with Sections 17 et seq. of the German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz — AWG*).

In addition to complying with the above regulations, companies are obliged to implement suitable internal measures to ensure compliance with export control requirements. These measures include, in particular, the implementation of an effective Internal Compliance Program, regular screening of business partners against relevant sanctions lists, and complete documentation of all export-relevant transactions.

LAWS AND REGULATIONS OF UK

The following is an overview of key regulatory areas that may be applicable to our business, reflecting current legislation in England and Wales (including retained EU law).

ENVIRONMENTAL REGULATIONS

Our manufacturing operations may be subject to UK environmental laws aimed at protecting land, air, and water. Under the Environmental Protection Act 1990 and related regulations, the Company has legal responsibility to manage and dispose of waste safely, ensuring that any hazardous waste from its processes causes no harm or damage to people or the environment. This duty includes properly handling chemicals, electronic waste, and industrial by-products.

The Environmental Permitting (England and Wales) Regulations 2016 establish a consolidated system requiring certain industrial activities with potential pollution risks to obtain environmental permits. We may be required to comply with any permitting requirements applicable to its facilities — for example, controlling emissions, discharge of effluents, or safe storage of hazardous materials — and adhere to permit conditions designed to prevent environmental harm.

As a producer of electrical equipment, we are also regulated under the UK's Waste Electrical and Electronic Equipment (WEEE) Regulations 2013, which promote the safe recycling of electronics. Companies producing electrical equipment must register each year as a producer of electrical and electronic equipment (EEE).

FREIGHT AND TRANSPORTATION

Under UK law, transport and forwarding arrangements are governed by common law principles and specific statutes rather than a unified code. Contracts of carriage for goods are subject to general contract law and mode-specific legislation such as the Carriage of Goods by Road Act 1965 (incorporating the CMR Convention for international road freight). These provisions apply whenever the company acts as a consignor or a carrier of its products, or otherwise organises transport services through third parties (as a forwarding agent).

Freight regulations dictate the key duties and liabilities of carriers, chiefly the obligation to safely deliver goods and the carrier's liability for any loss or damage in transit (subject to contractual or statutory liability limits). In the case of freight forwarders, additional obligations include a duty of due care in selecting carriers and fulfilling documentation requirements for shipments. For cross-border deliveries, the applicable international conventions (such as CMR for road transport and Montreal for air cargo) take precedence.

PRODUCT LIABILITY AND CONSUMER PROTECTION

Product liability in the UK is governed by general tort and contract common law principles as well as statute. Our products are subject to the Consumer Protection Act 1987 (CPA), which implemented the EU Product Liability Directive.

In addition, statute also regulates contracts related to the supply of goods and services. The Sale of Goods Act 1979 (SGA 1979) governs contracts for the sale of goods and applies to both business-to-business and business-to-consumer transactions, though many consumer-facing provisions have since been superseded by the Consumer Rights Act 2015, which (along with its associated regulations) sets out a comprehensive regime governing business-to-consumer transactions.

MANUFACTURING AND PRODUCT SAFETY STANDARDS

Our products may be required to comply with a range of industry-specific product safety regulations and standards before they can be sold in the UK. Notably, the design and manufacture of industrial controllers may fall under the scope of the Supply of Machinery (Safety) Regulations 2008. These regulations require that machinery and related products (including safety components and partly completed machinery) meet essential health and safety requirements (EHSRs) and are safe by design. We undertake conformity assessments to ensure that products satisfy all relevant EHSRs, which cover risks such as mechanical hazards, electrical safety, and ergonomic design.

The Electrical Equipment (Safety) Regulations 2016 (the UK implementation of the European Union's Low Voltage Directive) impose obligations if our products operate within certain voltage ranges. These regulations ensure that electrical products are properly insulated, constructed to good engineering practice, and safe for users. Similarly, the Electromagnetic Compatibility Regulations 2016 require that electronic controllers do not emit excessive electromagnetic interference and are immune to disturbance, so they do not disrupt other equipment and function reliably in their intended environment.

EMPLOYMENT AND LABOR LAWS

We are an employer in the UK and must observe the full spectrum of employment and labour laws that protect employees' rights and govern the employment relationship. The foundational statute is the Employment Rights Act 1996. The law stipulates minimum notice periods for termination, rights to statutory redundancy pay if applicable, and protections against unfair dismissal.

The National Minimum Wage Act 1998 requires us to pay employees at least the statutory minimum wage rate appropriate to their age and status. In addition, employers are responsible for enrolling eligible workers in a pension scheme under the automatic enrollment rules of the Pensions Act 2008 and for adhering to laws on statutory sick pay and family leave pay.

The Equality Act 2010 protects employees and job applicants from discrimination on the basis of specific protected characteristics, which include sex, race, age, disability, religion or belief, sexual orientation, marital status, pregnancy/maternity, and gender reassignment. This means our decisions on hiring, pay, promotions, training, and terminations must not unlawfully discriminate (whether directly or indirectly), harass, or victimise individuals.

HEALTH AND SAFETY OBLIGATIONS

We have a legal duty to maintain a safe and healthy work environment for its employees and any other persons who may be affected by its operations (such as contractors or visitors). The cornerstone of UK occupational safety law is the Health and Safety at Work etc. Act 1974 (HSWA), which requires employers to ensure the health and safety of all employees and anyone affected by their work, so far as is reasonably practicable. In practical terms, this general duty means business management must take all reasonably practicable steps to identify workplace hazards and mitigate risks to prevent accidents and injuries. This includes providing safe systems of work, proper plant and equipment that is well-maintained, training workers in safe operating procedures, and supervising work activities. Employees, in turn, are required by the HSWA to co-operate with safety measures and to take reasonable care for their own health and safety and that of others.

To supplement the broad duties of the HSWA, various more specific regulations set out detailed health and safety obligations. One key regulation is the Management of Health and Safety at Work Regulations 1999, which requires employers to perform suitable and sufficient risk assessments of their workplace hazards and to implement preventive measures.

SANCTIONS AND TRADE CONTROLS

UK sanctions are in force under the Sanctions and Anti-Money Laundering Act 2018, which is implemented through regulations setting out the specific measures under each UK sanctions regime. UK sanctions measures have also been extended by the UK on a regime-by-regime basis to apply to and in the UK Overseas Territories (without requiring enactment of any further legislation by them), including the Cayman Islands as of January 1, 2021.

Exporters are additionally subject to the UK's export control laws. The UK controls the export (and in some cases, domestic transfer or brokering) of certain sensitive goods, technology, and software for reasons of national security and international compliance. The Export Control Order 2008, along with retained EU dual-use regulations, form the backbone of UK export controls. Certain products that we sell or manufacture may be classified as 'dual-use' goods, and therefore would be subject to UK export control laws. Dual use goods would require an export licence from the UK's Export Control Joint Unit (ECJU) before shipping such items outside the UK. Export licenses can be individual (for specific shipments) or open/general licences covering certain destinations. The UK implements import restrictions and customs duties on certain goods (for example, anti-dumping duties or prohibitions on goods from specific regions under sanctions).

LAWS AND REGULATIONS OF POLAND

Below is an overview of the laws and regulations materially relevant to our business in Poland.

PURCHASE LAW

Purchase law provisions are relevant to the procurement of raw materials, components, and equipment, as well as to the sale of finished products. The legal framework for the sale of goods in Poland is primarily governed by the Polish Civil Code (*Kodeks cywilny*, hereinafter also referred to as the "Civil Code"), specifically in Articles 535 to 602, which regulate the general provisions on sales contracts (*umowa sprzedaży*). Under the provisions of the Civil Code, the seller is liable for ensuring that the item is free from physical and legal defects at the time of delivery.

Physical defects *(wady fizyczne)* occur when goods lack agreed or standard properties, are incomplete, or fail to meet legal requirements; legal defects *(wady prawne)* arise when goods are owned or encumbered by third parties. If the item is defective, the buyer has the right to exercise statutory warranty claims (*rękojmia za wady)* pursuant to Articles 556 et seq. of the Civil Code. These rights include demanding repair, replacement, price reduction, or, in serious cases, withdrawal from the contract. In B2B contracts, these statutory warranty rights may be limited or excluded by mutual agreement. In consumer sales, such limitations are prohibited under Polish and EU consumer protection law. In addition to the statutory warranty, sellers or manufacturers may also offer voluntary guarantees.

PRODUCT LIABILITY AND PRODUCT SAFETY

Product liability and product safety provisions define the manufacturer's responsibility to ensure products are safe, defect-free, and compliant with legal standards. Manufacturers operating in Poland are subject to a dual regulatory framework that governs both the safety of products placed on the market and the civil liability for damage caused by defective products.

Product Liability

The liability of producers and suppliers for damage caused by defective products is regulated pursuant to Articles 449^{1} to 449^{11} of the Polish Civil Code (*Kodeks cywilny*). A producer (including a manufacturer of finished goods, components, or raw materials) is strictly liable for damage caused by a product defect, regardless of fault or negligence (strict liability, Article 449^{1} § 1 of the Civil Code). Damages covered include personal injury and property damage, provided that the damaged property is normally intended for private use. Liability also extends to importers and distributors if the actual producer cannot be identified, or if the product was imported from outside the EU and no EU-based manufacturer assumes responsibility.

General Product Safety

The general product safety framework in Poland is primarily governed by Act of 12 December 2003 on General Product Safety (*ustawa z dnia 12 grudnia 2003 r. o ogólnym bezpieczeństwie produktów*). Under this framework, producers are obligated to ensure that only safe products are introduced to the market. A product is considered safe if, under normal or reasonably foreseeable conditions of use, it does not pose a risk to health or safety. Furthermore, producers must provide clear instructions for assembly, installation, and use. They are also responsible for conducting risk assessments and safety testing, as well as implementing traceability and recall systems where appropriate.

CE Marking and Sector-Specific Safety Regulations

Industrial products are also subject to sector-specific EU harmonization rules, particularly the Machinery Directive 2006/42/EC, transposed into Polish law under the Ordinance of the Minister of Economy of 21 October 2008 on Essential Requirements for Machinery (*rozporządzenie Ministra Gospodarki z dnia 21 października 2008 r. w sprawie zasadniczych wymagań dla maszyn*).

These laws require that: (i) machinery must meet essential health and safety requirements before being placed on the EU market, (ii) products shall bear the CE marking to demonstrate conformity with applicable directives, and (iii) manufacturers must draw up and retain a Declaration of Conformity and technical documentation for inspection by authorities.

Failure to comply with CE marking obligations, safety requirements, or market surveillance rules may lead to administrative penalties (e.g. withdrawal orders or fines), civil liability under the Polish Civil Code, criminal sanctions in serious cases of negligence endangering health or life.

ENVIRONMENTAL LAW

Environmental law provisions define the manufacturer's responsibility to conduct operations in compliance with regulations on resource use, emissions, and waste management. The legal framework for environmental protection in Poland is primarily governed by the Act of 27 April 2001 – Environmental Protection Law (*ustawa z dnia 27 kwietnia 2001 r. – Prawo ochrony środowiska*), hereinafter referred to as the "Environmental Protection Law". Under Article 6 of the Environmental Protection Law, all businesses conducting activities that may affect the environment are subject to the principle of precaution and prevention. Operators are required to undertake necessary measures to prevent environmental damage and limit emissions to air, water, and soil. Environmental protection must also be ensured through sustainable resource use and reduction of pollution at source.

Industrial facilities may require specific environmental permits, depending on the type and scale of the activity. Facilities that emit noise or generate vibrations must comply with applicable limits set pursuant to Articles 112–117 of the Environmental Protection Law. Operators are also obligated to conduct environmental impact assessments (EIA) for certain projects under the Act on Providing Information on the Environment and Environmental Protection of 3 October 2008.

In the event of environmental damage, operators may be subject to civil liability for environmental harm, as regulated by Articles 323–325 of the Environmental Protection Law. In cases of severe negligence or intentional conduct, criminal sanctions may also apply under the Criminal Code or special environmental legislation.

Hazardous and industrial waste is regulated under the Waste Act of 14 December 2012 (*ustawa z dnia 14 grudnia 2012 r. o odpadach*), which imposes obligations on classification, labelling, safe transport, and documentation of waste. Waste producers must maintain records and submit periodic reports via the BDO system pursuant to Articles 66–92 of the Act.

LABOUR AND EMPLOYMENT LAW

Labour and employment law provisions define the employer's obligations regarding working conditions, employee rights, and compliance with workplace regulations. Employment relationships in Poland are governed primarily by the Polish Labour Code (*Kodeks pracy,* hereinafter referred to as the "Labour Code"), which serves as the principal legal act regulating individual and collective labour rights, working conditions, and employer obligations.

Employment Contracts and Types

Under Article 25 of the Labour Code, employment relationships shall be based on an employment contract, concluded in writing, and specifying key terms such as position, remuneration, working time, and location. Any work arrangement meeting the criteria of subordination, regular remuneration, and personal execution shall be treated as an employment contract, regardless of title.

Working Time and Rest

The standard working time is 8 hours per day and 40 hours per week, within a 5-day work week (Article 129 of the Labour Code). Various working time systems (e.g. shift work, equivalent schedules) are permitted under certain conditions. Employees are entitled to daily (11 hours) and weekly (35 hours) rest, paid annual leave (20 or 26 days), public holidays, sick and parental leave.

Termination and Severance

Termination of an employment contract must follow statutory rules. For indefinite-term contracts, notice periods range from 2 weeks to 3 months, depending on length of service (Article 36 of the Labour Code). Termination shall be justified and provided in writing.

Employees may be entitled to severance pay under the Act of 13 March 2003 on the Specific Principles for Terminating Employment Relationships with Employees for Reasons not Related to the Employees Concerned (*ustawa z dnia 13 marca 2003 r. o szczególnych zasadach rozwiązywania z pracownikami stosunków pracy z przyczyn niedotyczących pracowników*) or internal policies. Dismissals of protected groups (e.g. pregnant women, trade union members) are restricted or prohibited.

Remuneration and Social Insurance

Employers must pay at least the annually set statutory minimum wage and register employees with Social Insurance Institution (*Zakład Ubezpieczeń Społecznyc*h, commonly known as *ZUS*).

Workplace Regulations and Policies

Employers with more than 50 employees must adopt internal work regulations (*regulamin pracy*) and remuneration regulations (*regulamin wynagradzania*) setting forth company-specific rules regarding working time, wages, discipline, and other employment conditions.

Employee Representation

Employees may be represented by trade unions, works councils, or employee representatives, depending on the size and structure of the enterprise. Employers must consult employee representatives in certain matters, such as group layoffs, working time systems, or collective redundancies.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety provisions set out the employer's obligations to ensure safe, hygienic, and compliant working conditions, protecting employees from workplace hazards and risks. Occupational health and safety (OHS) in Poland is primarily governed by the Labour Code (*Kodeks pracy*) and executive regulations issued by the Council of Ministers and relevant ministries.

Workplaces and equipment must comply with minimum safety standards set out in the Ordinance of the Minister of Labour and Social Policy of 26 September 1997 on General Health and Safety Rules (*rozporządzenie Ministra Pracy i Polityki Socjalnej z dnia 26 września 1997 r. w sprawie ogólnych przepisów bezpieczeństwa i higieny pracy*). This regulation defines requirements related to lighting, ventilation, noise levels, temperature, ergonomics, fire protection, and the safe use of machines and tools.

Employees shall be trained in health and safety before commencing work and periodically thereafter, depending on the type of work and occupational exposure. Medical examinations must confirm fitness for duty, especially in positions involving physical, technical, or hazardous work. If a workplace accident or suspected occupational disease occurs, the employer must immediately investigate the circumstances and prepare formal documentation, including an accident report. Workers injured in the course of employment are entitled to compensation, rehabilitation, and sick leave under social insurance law.

Non-compliance with OHS obligations may result in civil liability for damages and, in severe or wilfully negligent cases, criminal liability pursuant to Articles 220 and 221 of the Polish Criminal Code (*Kodeks karny*), which penalize the exposure of workers to danger or failure to meet health and safety obligations.

SPECIAL ECONOMIC ZONES AND THE POLISH INVESTMENT ZONE

As the production facility in Poland is located in a Special Economic Zone (*Specjalna Strefa Ekonomiczna*, hereinafter "SEZ"), the rules on the Polish Investment Zone (*Polska Strefa Inwestycji*, PSI) are directly relevant to investment incentives, tax exemptions, and compliance requirements.

SEZs were originally established as designated areas offering preferential conditions for business activity. Since the entry into force of the Act of 10 May 2018 on Supporting New Investments (*ustawa z dnia 10 maja 2018 r. o wspieraniu nowych inwestycji*), the PSI has replaced the SEZ system, extending similar incentives across entire country. Although the term "SEZ" is still commonly used, new support decisions are now issued exclusively under the PSI regime.

Principles of the PSI Regime

Under the PSI regime, regional state aid is granted in compliance with EU law, primarily in the form of CIT/PIT exemptions for eligible new investments (e.g. new facilities, expansions, diversification). Aid intensity ranges from 10% to 50% of eligible costs, depending on location and company size, and support is provided for 10–15 years.

Decision on Support

To benefit from support under the Polish Investment Zone scheme, the investor must obtain a decision on support (*decyzja o wsparciu*) issued by the minister competent for the economy. The decision is defining eligible activities, maximum aid, deadlines, and compliance criteria.

Monitoring and Compliance

Beneficiaries are monitored by SEZ administrators and tax authorities and must maintain the investment and jobs for the retention period (commonly 3–5 years). Failure to comply with conditions may result in revocation or limitation of aid, including repayment of benefits received.

OVERVIEW

Our history can be traced back to March 1993 when one of our former subsidiary Nanjing Estun Industrial Automation Co., Ltd. (南京埃斯頓工業自動化有限公司) was established. Our Company was founded on February 26, 2002 by Mr. Wu and was converted into a joint stock company with limited liability from a limited liability company in July 2011. We are a leading industrial robotics company in China.

Since March 2015, our A Shares have been listed on the Shenzhen Stock Exchange (stock code: 002747.SZ). As of the Latest Practicable Date, our total issued share capital was RMB871,018,453, comprising 871,018,453 A Shares, of which approximately 42.15% was controlled by Mr. Wu, Ms. Liu Fang (劉芳), Mr. Wu Kan (吳侃) and Nanjing Primest, being our Controlling Shareholders Group.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our Group's key corporate and business development milestones:

Year	Event
2001	We launched our first servo drive system, laying the foundation for indigenous motion-control technology.
2002	Our company was established.
2010	We introduced our first industrial robot model.
2011	We converted into a joint stock company with limited liability.
2015	Our Company's A Shares were listed on the Shenzhen Stock Exchange (stock code: 002747.SZ).
2017	We expanded into the high-end motion control industry with the acquisition of Trio Motion, a manufacturer based in the U.K specializing in motion controllers.
2018	We commenced operations of our Nanjing robotic industrial park, featuring China's first intelligent production line in which robots build robots.
2020	We expanded into the global premium arc-welding sector with the acquisition of Cloos, a Germany-based company specializing in welding robotics with an established international presence.

Year	Event
2021	Our annual shipment volume of industrial robots exceeded 10,000 units for the first time.
2024	We had ranked first among domestic manufacturers in China's industrial robotic solutions market for years, in terms of industrial robot shipment volume, according to Frost & Sullivan.
2025	We completed the construction of our manufacturing base in Poland, accelerating our advancement toward global leadership in the industrial robotic solutions market.

MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities were our major subsidiaries[(6)] which had made a material contribution to our results of operation during the Track Record Period:

Name of subsidiary	Place of incorporation	Date of Incorporation	Equity interest attributable to our Group	Principal business activities
Carl Cloos	Germany	June 30, 1977	100%[(2)]	Manufacturing and sales of machinery, electrical appliances, equipment, and related consumable materials and spare parts
Shanghai Prex Mfg. Co., Ltd. (上海普萊克斯自動設備製造有限公司)	PRC	August 12, 2002	100%	Design, manufacturing, and sales of peripheral automation equipment for the casting machines
Estun Intelligent	PRC	February 2, 2007	100%	Design of intelligent system engineering
Cloos Welding	PRC	October 26, 2009	100%[(2)]	Manufacturing and sales of welding machines and related products
Estun Robot	PRC	September 5, 2011	100%	Manufacturing of robots and industrial robot turnkey systems related products
Trio Motion	United Kingdom	September 28, 1987	100%[(3)]	Design of automation control equipment
Estun Software	PRC	November 27, 2013	100%	Development and sale of software

Name of subsidiary	Place of incorporation	Date of Incorporation	Equity interest attributable to our Group	Principal business activities
Estun Guangdong Robotics Co., Ltd. (埃斯頓(廣東)機器人有限公司)	PRC	June 29, 2018	100%	Sales and manufacturing of industrial robots
Carl Cloos (China)	PRC	June 10, 2020	100%	Import and export of goods
Nanjing Cloos Robotics Intelligent Technology Co., Ltd. (南京克魯斯機器人智能科技有限公司) .	PRC	December 24, 2020	100%	Development and sale of artificial intelligence application software
Estun Intelligent (Jiangsu) .	PRC	July 19, 2022	53.73%(1)	Sales and manufacturing of industrial automation control system devices
M.A.i GmbH & Co.KG . . .	Germany	October 4, 1999	100%(4)	Provision of automated assembly and testing production lines based on robotic applications
Cloos Kaynak Teknik Sanayi Limited Sirteki . .	Turkey	March 31, 2009	100%(5)	Production, marketing, and trade of machinery, mechanisms and tools, and services primarily in the area of welding techniques

Note:

(1) For the information of the minority shareholders, see notes under "— Our Shareholding and Corporate Structure."

(2) Carl Cloos was established on June 30, 1977. Since 1919, the Cloos group has driven innovation in mechanical technology, pioneering advancements from manual welding equipment to robotic automation systems within welding technology and automation. On April 27, 2020, Cloos Holdings GmbH (a wholly-owned subsidiary of the Company), acquired Carl Cloos GmbH, together with its subsidiaries including Cloos Welding.

(3) Trio Motion was established on September 28, 1987 and acquired by Dynacon Industrial Limited, a wholly-owned subsidiary of the Company, on March 23, 2017.

(4) M.A.i GmbH & Co.KG was established on October 4, 1999 and acquired by the Company on October 17, 2017.

(5) Cloos Kaynak Teknik Sanayi Limited Sirteki was established on March 31, 2009 and acquired by Carl Cloos, a wholly-owned subsidiary of the Company, on April 27, 2020.

(6) Yangzhou Shuguang Optoelectronics Automation Co., Ltd. (揚州曙光光電自控有限責任公司), being one of our major subsidiaries during the Track Record Period, had been deconsolidated on June 25, 2025. For details, see "— Major Share Capital Changes and Development of our Company" in this section.

MAJOR SHARE CAPITAL CHANGES AND DEVELOPMENT OF OUR COMPANY

Early Development of our Company

In February 2002, our Company was founded by Mr. Wu, focusing on research and development of electromechanical products.

Upon the completion of several rounds of share transfers and capital injections, on May 20, 2011, the registered share capital of our Company reached US$12,350,000, with Nanjing Primest, Estun Holdings Co., Ltd. (埃斯頓控股有限公司) ("**Estun Holdings**") and Estun Investment Co., Ltd. (埃斯頓投資有限公司) ("**Estun Investment**") holding 55%, 25% and 20% of the equity interests in our Company, respectively.

Conversion into Joint Stock Company with Limited Liability

In July 2011, our Company was converted from a limited liability company to a joint stock company with limited liability, with Nanjing Primest, Estun Holdings and Estun Investment, being our promoters.

Listing on the Shenzhen Stock Exchange

In March 2015, our A Shares were listed on the Shenzhen Stock Exchange (stock code: 002747.SZ).

We offered a total of 30,000,000 A Shares under the A-Shares listing, representing approximately 25% of our enlarged share capital immediately following the completion of the A-Shares listing. Upon completion of the A-Shares listing, Mr. Wu directly and indirectly controlled approximately 75% of our Company's then share capital.

Bonus issues in 2016 and 2017

In 2016 and 2017, the Company completed the following bonus issues to the then existing Shareholders by way of conversion of capital reserve:

Completion Date	Bonus ratio
May 24, 2016	10 new A shares for every 10 existing A shares
June 7, 2017	20 new A shares for every 10 existing A shares

Non-Public Issuance of A Shares in 2016 and 2021

In 2016 and 2021, the Company completed the following non-public issuance of A shares:

Completion Date	Number of A Shares issues	Number of Investors
September 8, 2016	32,736,135 A Shares	Six investors
July 7, 2021	28,392,857 A Shares	Seven investors

To the best knowledge of our Directors, the investors to the aforementioned non-public issuance of A Shares were Independent Third Parties.

Repurchase of Shares Relating to Employee Incentive Schemes

Other than the major shareholding changes in the Company as disclosed, the Company also from time to time repurchased A Shares for the employee incentive purposes.

Disposal of Yangzhou Shuguang Optoelectronics Automation Co., Ltd. (揚州曙光光電自控有限責任公司) ("Yangzhou Shuguang")

On June 23, 2025, Nanjing Dingkong Electromechanical Technology Co., Ltd. (南京鼎控機電科技有限公司) ("**Nanjing Dingkong**") (one of our subsidiaries) entered into a share transfer agreement with Shuguang Lanfengqi (Nanjing) Technology Limited Partnership (曙光藍風啟(南京)科技合夥企業(有限合夥) ("**Shuguang Lanfengqi**"), pursuant to which Nanjing Dingkong agreed to transfer its 20% equity interest in Yangzhou Shuguang to Shuguang Lanfengqi at a consideration of RMB94 million. The relevant consideration was determined with reference to a valuation report issued by an independent valuer and will be settled by two installments. The first installment in the amount of RMB47.94 million was settled on June 25, 2025 (the "**First Installment**") and the second installment representing the remaining balance will be settled on or before May 31, 2026 or such other date as may be mutually agreed in writing by the parties.

Shuguang Lanfengqi is a limited partnership registered on June 11, 2025, with Mr. Jiang Xingke (江興科) as its general partner and several management personnel of Yangzhou Shuguang as limited partners, who are all Independent Third Parties. Pursuant to the share transfer agreement, the transfer is completed upon the settlement of the First Installment. Therefore, upon completion of the transfer on June 25, 2025, Yangzhou Shuguang was ceased to be consolidated into our Group's consolidated financial statements.

Further, on October 20, 2025, Nanjing Dingkong and Shuguang Lanfengqi entered into a share transfer agreement, pursuant to which Nanjing Dingkong and Shuguang Lanfengqi agreed to transfer 48% and 14% equity interest in Yangzhou Shuguang to Wuxi Xinhongye Wire & Cable Technology Co., Ltd. (無錫鑫宏業線纜科技股份有限公司) ("**Wuxi Xinhongye**"), respectively, at a consideration of RMB244.8 million and RMB71.4 million, respectively. The relevant considerations were determined with reference to a valuation report issued by an independent valuer and will be settled by four installments. As of the Latest Practicable Date, the first and second installments were settled. Pursuant to the share transfer agreement, the transfer is completed upon the settlement of the first installment. Further, the industrial and commercial registration change of the share transfer was completed on November 4, 2025.

Wuxi Xinhongye is a limited liability company established on February 2004 and all its shareholders are Independent Third Parties. Upon completion of the aforementioned proposed share transfers, Nanjing Dingkong will no longer be interested in any equity interest of Yangzhou Shuguang.

Yangzhou Shuguang is primarily engaged in the research and production of specialized automated equipment for laser instruments, mechanical microelectronic control systems and optoelectronic instruments. However, (i) in order to continuously optimize the Group's resource allocation and industrial layout on its core businesses and targeted markets, (ii) the fact that the targeted market of Yangzhou Shuguang differs significantly from the core businesses of the Company and therefore resulting in weak operational synergy, and (iii) to further incentivize the sustainable independent development of Yangzhou Shuguang, the Group decided to cease to engage in the specialized automated equipment sector and to dispose Yangzhou Shuguang. Furthermore, revenue and profitability of Yangzhou Shuguang in 2024 fell short of forecast due to weaker demand from its downstream sectors, particularly the construction machinery and heavy industry segments. Yangzhou Shuguang primarily produces core automation components and motion control systems, which are ultimately applied in motors, transformers and drive-control systems within these industries. In 2024, customers in these sectors tightened their capital expenditure budgets and implemented more stringent project approval and procurement processes, reflecting broader market and business environment considerations. This led to longer decision-making cycles, delays in product delivery, and a reduction in order intake. This underperformance resulted in the recognition of an impairment loss on goodwill of RMB57.7 million. For detailed analysis of the impairment test, see "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Goodwill — Impairment Tests for Goodwill." As advised by our PRC Legal Advisor, our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, the company had no material compliance violations and was not involved in any material legal proceedings.

Before the disposal of Yangzhou Shuguang on June 25, 2025, Yangzhou Shuguang contributed (i) less than 3.0% of the total revenue of the Group, (ii) less than 5.0% of the total gross profit of the Group, for each year ended December 31, 2022, 2023, 2024, respectively. Further, Yangzhou Shuguang contributed less than 20.0% of the profit attributable to equity shareholders of the Group for the years ended December 31, 2022 and 2023.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

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

EMPLOYEE INCENTIVE SCHEMES

Since our A Share listing, we adopted several employee share incentive plans to attract and retain talents and to motivate our employees. Under these share incentive plans, a total of 6,727,400 restricted A Shares awards were granted, of which 2,361,880 were vested and remained restricted. As of the Latest Practicable Date, no outstanding restricted A Shares remained to be granted or vested under these share incentive plans.

In June 2025, the Shareholders adopted the 2025 Share Option Scheme and the 2025 Restricted Share Scheme pursuant to which the Company can grant up to 7,500,000 A Shares, which comprise 3,500,000 A Shares options and 4,000,000 restricted A Shares awards, to our employees.

Under the 2025 Share Option Scheme and the 2025 Restricted Share Scheme, the options and share awards have a vesting period of at least 12 months since the date of grant. As of the Latest Practicable Date, (i) 128 employees have been granted options under the 2025 Share Option Scheme in respect of an aggregate 3,320,000 A Shares and (ii) 140 employees have been granted share awards under the 2025 Restricted Share Scheme in respect of an aggregate of 4,000,000 A shares. As of the Latest Practicable Date, all the outstanding options under the 2025 Share Option Scheme have been granted. No further options will be granted under the 2025 Share Option Scheme between the Latest Practicable Date and the Listing Date, and any time thereafter.

For details of the 2025 Share Option Scheme and the 2025 Restricted Share Scheme, see the section headed "Further Information about Our Directors and Substantial Shareholders — 4. Employee Incentive Scheme" in Appendix VI to this prospectus.

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, the Controlling Shareholders Group was able to exercise approximately 42.15% voting rights in our Company. For details regarding the Controlling Shareholders, see "— Relationship with our Controlling Shareholders Group."

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE PROPOSED LISTING ON THE HONG KONG STOCK EXCHANGE

Since 2015, our Company has been listed on the Shenzhen Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we had no instances of material 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 is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause them to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

Our Company seeks to be listed on the Hong Kong Stock Exchange in order to provide further capital for the development and expansion of our business, provide an additional fundraising platform for our Company should the need arise, further strengthen our business profile and market position in the industry, and better attract overseas investors and talents. See "Business — Our Strategies" and "Future Plans and Use of Proceeds" for more details.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Our A Shares are listed on the Shenzhen Stock Exchange. The total number of the H Shares to be issued pursuant to the Global Offering represents approximately 10.00% of the total issued share capital of our Company (before any exercise of the Over-allotment Option and options granted under the 2025 Share Option Scheme). To the best knowledge of the Company, since all H Shares will be counted towards the public float for the purpose of Rule 8.08(1) of the Listing Rules upon completion of the Global Offering, the Company will satisfy the public float requirement under Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

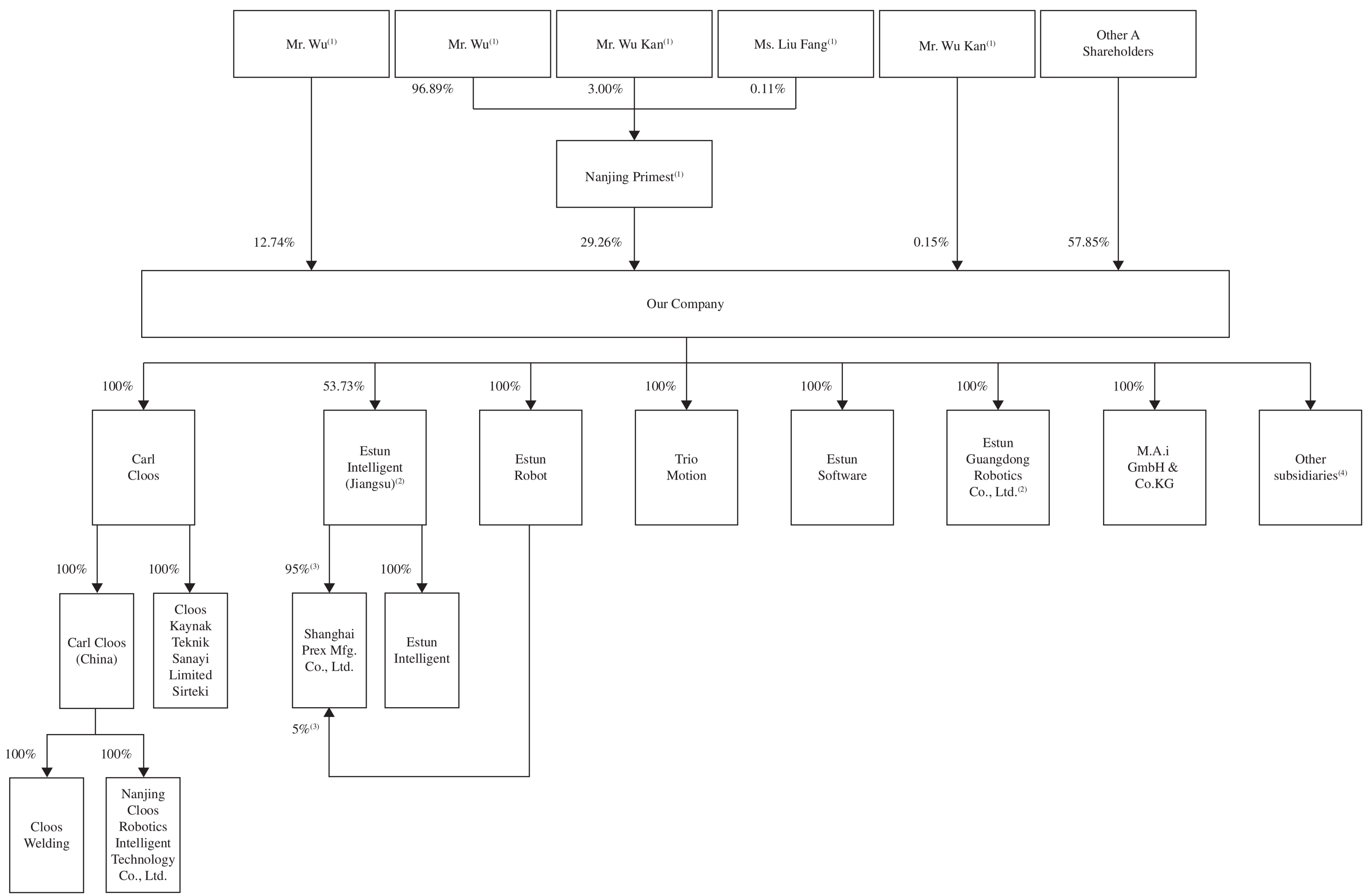
Satisfaction of the Free Float Requirement

Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

To the best knowledge of the Company, the Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

The following chart depicts our simplified corporate and shareholding structure immediately prior to the Global Offering:



Notes:

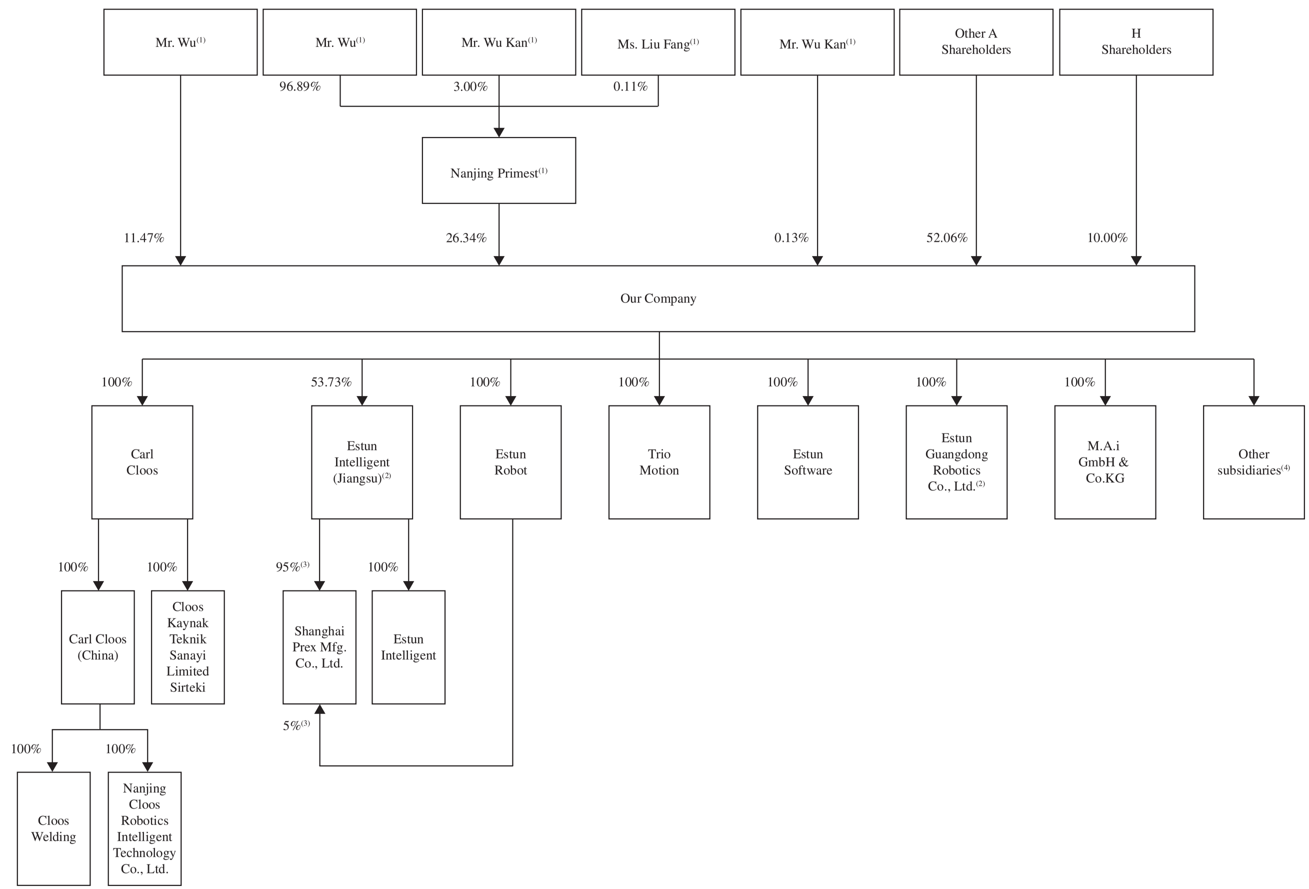
(1) Our Controlling Shareholders Group.

(2) As of the Latest Practicable Date, the remaining 46.27% interest in Estun Intelligent (Jiangsu) is held by General Technology High-End Equipment Industrial Equity Investment (Tongxiang) Partnership Enterprise (Limited Partnership) (通用技術高端裝備產業股權投資(桐鄉)合夥企業(有限合夥)), National Manufacturing Transformation and Upgrading Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司), China State-owned Enterprise Mixed-ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司) and Dong Chunyu (董春雨), all are Independent Third Party, as to 21.62%, 19.46%, 3.78%, and 1.41%, respectively.

(3) As of the Latest Practicable Date, Shanghai Prex Mfg. Co., Ltd. is held 95% directly by Estun Intelligent (Jiangsu) and 5% indirectly by Estun Robots through Nanjing Prex Collaborative Enterprise Management Partnership (Limited Partnership) (南京普萊克斯協同企業管理合夥企業(有限合夥), an employee incentive holding platform.

(4) Other subsidiaries include (i) onshore and offshore and (ii) wholly-owned and non-wholly owned subsidiaries of our Company.

The following chart depicts our simplified corporate and shareholding structure immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and options granted under the 2025 Share Option Scheme are not exercised):



Notes (1) to (4): Please refer to the details on the preceding page.

(5) The calculation is based on the total number of 871,018,453 A Shares in issue as of the Latest Practicable Date and 96,780,000 H Shares (assuming the Over-allotment Option is not exercised and options granted under the 2025 Share Option Scheme are not exercised) in issue upon Listing.

OVERVIEW

Who We Are

We are a leading industrial robotics company in China. We had ranked first among domestic manufacturers in China's industrial robotic solutions market for years, in terms of industrial robot shipment volume, according to Frost & Sullivan. According to the same source, we achieved a historic breakthrough in the first half of 2025, with the shipment volume of industrial robots surpassing foreign brands within the domestic market, making us the first domestic manufacturer to rank at the top of the industrial robotic solutions market in China. We are also among the top industrial robotics companies in terms of revenue, ranking sixth in both the global market and China's market in terms of revenue in 2024 among all manufacturers, with a market share of 1.7% and 2.0%, respectively.

We are dedicated to the belief that automation benefits all: smarter manufacturing, superior quality, better living, and a greener world. Guided by this purpose, we work to advance innovation and sustainability, all in pursuit of our aspiration: for a better life. With our independent R&D and in-house production capabilities of core automation components and motion control systems, we have assisted customers in industries such as automotive, lithium batteries, photovoltaics, electronics, metal processing, engineering machinery, packaging logistics, and construction materials and furniture in achieving automation, digitization, and intelligent transformation, providing comprehensive manufacturing automation solutions covering the entire lifecycle of production for our customers.

Targeting the vast global automation market centered around industrial robots, we have formulated a development strategy that progresses from following to surpassing. Rooted in China, we will continue to invest in research and innovation, leveraging China's domestic industrial chain advantages to provide reliable, efficient, and widely applicable industrial robots for the global market to meet our goal of becoming a world-leading robotics company. We are actively advancing the integration of AI and robotics, steadily evolving from a Chinese industrial robot leader toward a prominent player in intelligent robotics.

Through strategic acquisitions worldwide and proprietary core technologies, we have established competitive advantages in industrial robotics characterized by our multi-brand portfolio synergy, comprehensive application coverage and global market penetration. As of September 30, 2025, we operated 75 service sites worldwide and seven manufacturing bases across our key domestic and foreign markets. Our locally embedded teams ensure rapid customer response, while our global footprint guarantees consistent quality assurance and cost efficiencies. Our products and services are applied across a global customer network.

Below are our achievements over the years:

Notes:

(1) Source: Frost & Sullivan.

(2) As of September 30, 2025. See "— Our Customers — Our Customer Service and Product Returns" for details.

(3) As of September 30, 2025. See "– Manufacturing – Manufacturing Facilities" for details.

(4) Revenue contributed by overseas markets amounted to RMB1,312.2 million, RMB1,594.4 million, RMB1,369.6 million, RMB1,139.3 million and RMB1,117.7 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively, accounting for 33.8%, 34.3%, 34.2%, 33.8% and 29.4% of our total revenue for the same periods. For the purposes of this prospectus only, overseas markets include regions other than the Chinese Mainland.

(5) Our 700kg ultra-heavy-duty industrial robot is included in the *Catalog of Nationally Recognized First-of-its-Kind Innovative Products* (首台(套)重大技術裝備推廣應用指導目錄(2024年版)) while our industrial robot for photovoltaic stringing has earned us the recognition of *Champion Enterprise in a Niche Manufacturing Sector* (製造業單項冠軍企業). Both recognitions were awarded by the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (the "**MIIT**").

(6) The cETLus certification indicates compliance with U.S. and Canadian electrical safety standards, while the TÜV Rheinland CE Functional Safety Certificate demonstrates conformity with international functional safety standards under the CE framework. We received both certifications in 2024.

(7) Our research and development expenditure (including our research and development expenses and investment in R&D activities which was capitalized) amounted to RMB401.6 million, RMB504.1 million, RMB502.9 million, RMB349.6 million and RMB354.2 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively, accounting for 10.3%, 10.8%, 12.5%, 10.4% and 9.3% of our total revenue for the same periods, respectively.

(8) We had 1,029 R&D personnel as of September 30, 2025.

(9) During the Track Record Period, we led or participated in four projects supervised by the MIIT, three projects supervised by the MOST (中華人民共和國科學技術部) and one project supervised by the NDRC (中華人民共和國國家發展和改革委員會).

OUR BUSINESS MILESTONES

Our leading market positions are echoed by the following milestones:

- Our history can be traced back to 1993.
- In 2001, we launched our first servo drive system, a device that receives motion commands from the controller and regulates the power supplied to the servo motor, enabling precise control of motion and output, laying the foundation for indigenous motion-control technology.
- In 2010, we introduced our first industrial robot model.
- In 2015, our Shares became listed on the Shenzhen Stock Exchange (Stock Code: 002747.SZ).
- In 2017, we expanded into the high-end motion control industry with the acquisition of Trio, a manufacturer based in the U.K specializing in motion controllers.
- In 2018, we commenced operations of our Nanjing robotic industrial park, featuring China's first intelligent production line where robots build robots.
- In 2020, we expanded into the global premium arc-welding sector with the acquisition of Cloos, a Germany-based company specializing in welding robotics with an established international presence.
- In 2021, our shipment volume of industrial robots exceeded 10,000 units for the first time.
- In 2024, we had ranked first among domestic manufacturers in China's industrial robotic solutions market for years, in terms of industrial robot shipment volume, according to Frost & Sullivan.
- In 2025, we completed the construction of our manufacturing base in Poland, marking a significant milestone in our effort to achieve global leadership in the industrial robotic solutions market.

OUR MARKET OPPORTUNITIES

According to Frost & Sullivan, global industrial robot shipments reached 541,000 units in 2024 and are expected to grow at a CAGR of 11.2%, reaching 919,500 units by 2029. The Chinese market is projected to maintain its dominant position during this period, with shipments expected to grow at a CAGR of 14.9% to 590,400 units by 2029. In 2024, our share in the global industrial robotic solutions market in terms of shipment volume of industrial robots was 5.5%, while in the Chinese market, our share reached 9.5%, indicating significant potential for further growth. The accelerated global advancement of industrial automation, along with the continued transition toward intelligent and sustainable manufacturing, is creating significant growth opportunities for the industrial robotics sector:

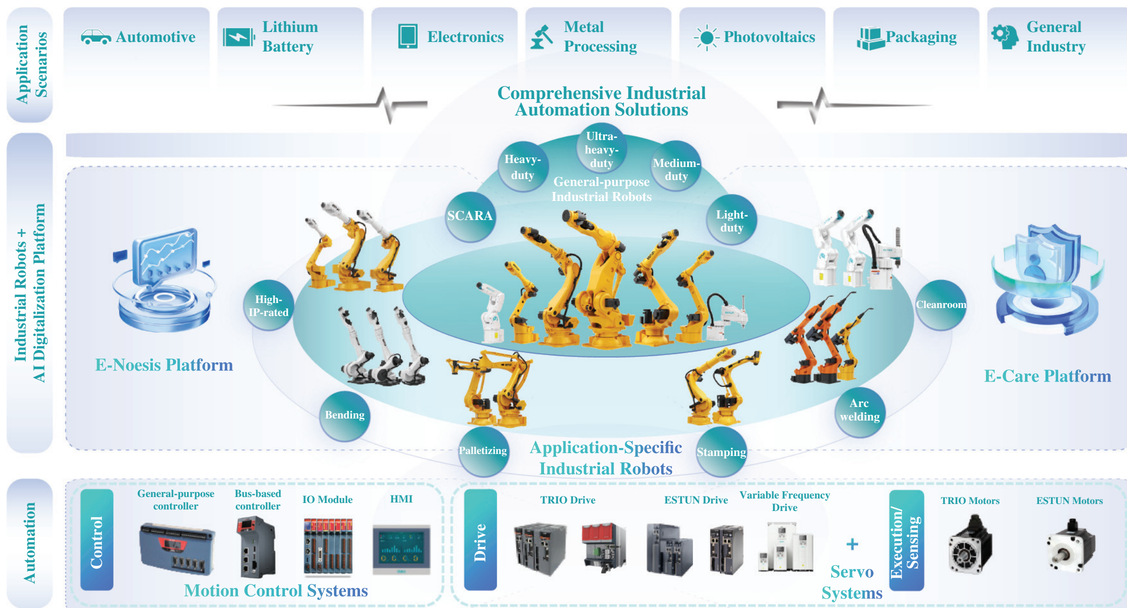
- **Technological Advancement and Innovation.** With the adoption of emerging technologies, industrial robotic solutions are becoming more intelligent, agile, and efficient. This evolution has expanded their application scenarios of industrial robots and has driven a surge in demand in the manufacturing sector. Technologies such as AI, IoT and big data analytics not only optimize production and maintenance but also enable interconnected systems and smart decision-making. As AI technologies continue to evolve, it is expected to significantly expand the applicability of industrial robots, enabling workforce automation initiatives of “robot-for-labor” in fields where they were previously unsuitable.

- **From Volume Growth to Quality Breakthroughs.** Chinese industrial robotics manufacturers are leveraging technological innovation and cost efficiency to challenge the long-standing dominance of foreign brands. According to Frost & Sullivan, the market size of the industrial robotic solutions market in China contributed more than half of the global industrial robotic solutions market in terms of the shipment volume of industrial robots in 2024. Despite the strong growth in volume, Chinese-made industrial robots remain underrepresented in the high-end segment, while significant growth potential are still untapped. Continued investment in R&D is enabling us to move up the value chain, accelerate the substitution of foreign brands, and gradually closing the pricing gap between international brands and us in the domestic market. At the same time, we are expanding into high-value segment traditionally dominated by global players, unlocking significant upside in product profitability and contributing to the advancement of China’s high-end intelligent manufacturing.

- **Enabling the Global Expansion of Chinese Enterprises.** As Chinese manufacturers continue to expand their global footprint, smart manufacturing solutions from China are well-positioned for global deployment. As core components of smart manufacturing, our industrial robots offer overseas Chinese enterprises automation solutions that improve efficiency, lower labor costs and enhance product quality, empowering them to compete more effectively on the global stage. In parallel, growing recognition of Chinese industrial robot brands among international customers is expected to drive rising demand for Chinese-made industrial robots.

What We Offer

We possess independent research and in-house production capabilities across the entire industry chain, encompassing "core components + fully assembled robots + solutions." Our main products include industrial robots and intelligent manufacturing systems, along with core automation components and motion control systems.



- ***Industrial Robots and Intelligent Manufacturing Systems***

Our industrial robot portfolio comprises 96 models with payloads ranging from 3kg to 1,000kg. It covers a full spectrum of general-purpose robots and application-specific robots with advanced process capabilities, meeting diverse manufacturing needs, from lightweight to heavy-duty and from high-speed to high-precision. We embed process-specific software packages that equip our robots for tasks such as bending, arc welding, spot welding, stamping, die casting, polishing, gluing, assembly and flexible sorting. We offer more than 20 types of workstation solutions and customized smart production lines, delivering holistic robotics-based intelligent manufacturing solutions.

While developing robotic solutions, we also created a dual digital platform that integrates remote maintenance and intelligent management to promote the digital operation of factories. The E-Care Platform utilizes IoT and cloud technology to achieve real-time diagnostics, remote troubleshooting, and over-the-air updates, significantly enhancing service efficiency. The E-Noesis platform serves as a digital intelligence hub, leveraging big data, digital twins, and artificial intelligence to provide digital functions such as process quality detection and optimization, fault warning analysis, and remote operations, making device parameters, process parameters, production capacity, and quality data transparent. This offers users a core competitive advantage in digitalization. The two platforms work in synergy to transform data into strategic assets, helping to enhance productivity, cost efficiency, and operational excellence.

- ***Core Automation Components and Motion Control Systems***

We also provide customers with motion control and servo systems, featuring a range of general-purpose controllers and servo systems. Our products also include motion control solutions built upon our servo systems and control systems. Additionally, we develop dedicated controllers, purpose-built servo drives and integrated drive-control units, designed specifically for our industrial robots. We offer complete solutions for high-performance motion control for process-specific equipment, general automation devices, and automated production lines. Our product architecture covers every layer of automation control, encompassing information processing, control systems, drive technologies, and execution, forming a robust technology matrix capable of supporting a wide range of industrial scenarios.

See "— Our Products" for details.

Our Customers and Marketing

We serve a diverse customer base across both traditional and emerging manufacturing sectors. In conventional industries like construction machinery, packaging and logistics, and construction material and furniture, we champion the workforce automation initiative of "robot-for-labor", deploying robots to take on repetitive, high-intensity or hazardous tasks and freeing human workers for higher-value roles. In emerging fields, we develop intelligent manufacturing systems centered around our industrial robots. From automotive and lithium battery production to photovoltaics, electronics and metal processing, we empower customers to achieve automated, digital and smart manufacturing transformation. Our solutions span the entire factory lifecycle, enabling comprehensive upgrades in productivity and efficiency.

Among the members of the Global Lighthouse Network selected by the World Economic Forum, we have contributed to the development of several benchmark facilities, including three Lighthouse Factories in the lithium battery sector, the world's first photovoltaic Lighthouse Factory, the first coal mining equipment Lighthouse Factory and one Lighthouse Factory in the construction machinery industry. These facilities have earned widespread recognition for their exceptional achievements in digitalization, production efficiency and sustainability. digitalization, production efficiency and sustainability. Our involvement in these Lighthouse projects demonstrates our ability to deliver solutions that drive the digital, intelligent and green transformation of manufacturing for an extensive customer base.

We have built a marketing system that combines strategic customers, industry benchmark customers, and regional customers. We continue to enhance the leading role of strategic and industry benchmark customers while exploring more application scenarios to increase market share. Meanwhile, we are deepening our regional marketing efforts through strategic geographic deployment. In addition, we have built a streamlined customer acquisition network through distributors, leveraging local resource advantages to drive market penetration. This enables us to reach both emerging markets and long-tail customers. Together, these efforts form a dual-engine growth model of "deep engagement with strategic clients + broad coverage of emerging markets", driving the synergistic expansion of both customer value and brand influence.

Our R&D Capabilities

We are committed to a long-term strategy that prioritizes technological innovation as a key driver of commercial success. We consistently invest approximately 10% of our revenue into high-level R&D to fuel innovation and development. Our research and innovation system continues to strengthen through a solid talent base, accelerated transformation of R&D outcomes, a focus on domestic substitution, and strategic investments in cutting-edge technologies, all of which serve as new engines for high-quality growth. As of September 30, 2025, we had established R&D centers in China, Germany, and the United Kingdom, employing 1,029 R&D personnel, accounting for 30.9% of our total workforce. As of the Latest Practicable Date, we held 619 registered patents, including 250 invention patents, and 469 software copyrights. During the Track Record Period, we participated in four projects sponsored by MIIT, three national key R&D projects under MOST, one industrial revitalization initiative by NDRC, and several provincial-level R&D projects. Leveraging our strong technological innovation and efficient commercialization capabilities, our 700kg ultra-heavy-duty industrial robot has been included in the *Catalog of Nationally Recognized First-of-its-Kind Innovative Products* (首台(套)重大技術裝備推廣應用指導目錄(2024年版)), while our industrial robot for photovoltaic stringing has earned us the recognition of *Champion Enterprise in a Niche Manufacturing Sector* (製造業單項冠軍企業) by MIIT. We are also recognized as one of the country's *Top 10 Robotics Benchmark Enterprises* (中國機器人TOP10) by MIIT.

OUR ESG INITIATIVES

In 2024, we were awarded the "AA" ESG rating by the Wind Index. We incorporate requirements on environmental sustainability across the entire value chain, from product design and R&D to supply chain management, manufacturing and quality control, treating the development of green, efficient and energy-saving products and solutions as a key driver of business growth. We are committed to fostering a fair, safe, healthy and inclusive workplace for all employees, and actively contribute to community development and public welfare. In addition, our strong corporate governance framework underpins our long-term commitment to sustainable development. See "— Environmental, Social and Corporate Governance" for details of our ESG initiatives.

COMPETITIVE STRENGTHS

A Leading Industrial Robotics Company in China with a Strong Presence in Global Niche Markets

We are a key contributor to the rise of China's industrial automation sector. Founded in 1993, we have grown rapidly over the past three decades and built a strong competitive edge through technological innovation and brand recognition. As a pioneer of "Intelligent Manufacturing in China," we are rising in the global industrial automation landscape.

According to Frost & Sullivan, we ranked first among domestic manufacturers in China's industrial robotic solutions market for years, in terms of industrial robot shipment volume. In the first half of 2025, we became the first domestic manufacturers to surpass foreign brands and secure the No. 1 position in terms of industrial robot shipment volume in the same market. As of September 30, 2025, our cumulative shipment volume of industrial robots in the past five years and nine months exceeded 105,000 units.

With keen industry insights and strategic foresights, we have proactively entered and have achieved rapid breakthroughs in emerging sectors such as photovoltaics and power batteries. By leveraging early-mover advantages, we have successfully outpaced overseas competitors. According to Frost & Sullivan, We ranked first in the global industrial robotic solutions market in 2024 by shipment volume of industrial robots for sheet metal bending and industrial robots used in photovoltaic sector, respectively, with a market share of 7.8% in sheet metal bending and 11.0% in photovoltaic.

We have delivered robotic products to customers across multiple industries and complex scenarios. These authentic and diverse use cases have allowed us to accumulate extensive of data and practical insights, continuously driving product optimization and functional innovation. Our products have been validated in large-scale, rigorous environments, enhancing their performance and reliability, and earning widespread recognition from customers. We have established long-term strategic partnerships with several leading industry players, becoming a trusted provider of robotic automation solutions. As robotics continue to expand into new sectors, we will further unlock the value of data, deepen the integration of AI and robotics technologies, and push the boundaries of intelligent manufacturing.

Establishing a Multi-Tiered R&D System to Drive Innovation and Deep Industry Integration through Independent Forward Engineering

We remain committed to our strategic R&D goal of moving "from following to leading," upholding a systems-level forward approach to innovation. Anchored in Nanjing and supported by R&D hubs in Germany, the U.K. and other countries, our R&D team brings together top industry experts and professionals worldwide. Our talent structure consists of three core teams: automation innovation, senior technical specialists and academic experts. Our core R&D team primarily composed of professionals with Ph.D. and Master's degree from leading domestic and international institutions. We also maintain close collaborations with renowned research institutions and universities in China, ensuring that our innovations are grounded in both theoretical depth and technological advancement.

We have established a unified and platform-based R&D system across our Group. We are driven by innovation that are responsive to customer demand and possess the technological expertise, pioneering strong capabilities in robotic design, motion control and servo systems, and industrial digitalization. Through modular design, high-performance servo drives and "next-generation" controllers, we harness the capabilities of each core component. At the same time, our industrial digital platforms unlock the full potential of our products, enabling us to meet growing customer demand for turnkey solutions. See "— Core Technologies."

We prioritize the commercialization of R&D outcomes and follow a tightly integrated product development model that aligns customer needs with product design, development and commercial rollout. We operate a laboratory accredited by China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會), officially recognized for conducting reliable tests in accordance with national and international standards. In addition, we maintain a certified energy-efficient laboratory and collaborate with internationally recognized certification institutions such as TÜV and UL, both of which are internationally recognized certification body that provides testing and certification services for product safety, functional safety, and performance. These strengths enable us to bridge the gap between laboratory innovations and industrial applications. Through strategic acquisitions, external collaboration and in-house R&D, we have built differentiated core technologies that form our competitive edge:

- **Stronger Performance, Greater Advancement:** We have developed proprietary core technologies in general-purpose motion control systems and robot controllers. Our self-developed "next-generation" controller (NGC) features an advanced industrial-grade programming language and a modular open architecture. It is designed to provide high usability, efficiency and scalability while meeting the stringent standards for real-time performance, reliability and safety. This laid the groundwork for us to develop a dedicated robot control operating system that incorporates dynamic algorithms, vibration suppression techniques and calibration across all key parameters for flexible applications, significantly improving both speed and precision. For the first time, the performance of our products with respect to dynamic accuracy and collaborative efficiency has matched that of high-end imported products, marking a critical step in reducing China's reliance on foreign robot control technologies. We have fully leveraged the underlying technologies gained through the acquisition of Trio to upgrade our proprietary motion controllers and algorithms, launching a next-generation general-purpose motion controller, with enhanced computing power, improve system coordination and communication performance. The technologies we acquired from Trio primarily include: (i) task scheduling for efficient management of multiple operations, (ii) flexible programming support offering users various ways to control motion tasks, and (iii) a motion engine capable of single-axis, multi-axis, and grouped-axis motion.

- **Lower Energy Consumption, Greener Operation:** We are committed to developing energy-efficient technologies spanning lightweight robot body designs, servo bus-sharing, which allows multiple servo drives to share a common communication bus and power source, optimized motor cooling, dual-voltage brake control that ensures precise and safe stopping using two voltage levels, advanced servo algorithms, controller sleep modes, and four-quadrant active rectification at the power end a technique that enables energy to flow in both directions for driving and regenerating purposes. Our systems also incorporate energy feedback which returns energy generated during braking back to the system, improved power factor to enhance the efficiency of electrical power use and bus voltage optimization, our systems deliver high-speed performance with reduced energy use and a more compact form factor.

- **More Intelligent and Open:** We have developed an open robotic platform powered by Julia, a high-performance programming language known for its real-time capabilities. This system bridges the needs of operational technology and information technology, with open interfaces across path planning, motion control and bus communication. Customers can customize their own control systems, while edge-side AI integrates, which performs intelligent processing directly on the local controller rather than solely in the cloud, with cloud-based AI, transforming the controller into a flexible, extensible and intelligent system, offering customers endless possibilities for innovation.

- **Higher Standards, Safer Systems:** We are deeply committed to advancing functional safety in robotics. Leveraging both in-house technologies and external resources, we became the first company in China to obtain CE machinery directive and functional safety certification for six-axis industrial robots from TÜV Rheinland. We also received cETLus certification, laying a strong foundation for our expansion into high-end markets in Europe and North America.

- **Unified Platform, Greater Integration:** We have developed next-generation platform designed to meet the evolving needs of intelligent manufacturing. By combining capabilities across general-purpose motion control, robot control, servo control, and PLC control, a single controller can now simultaneously manage multiple robots, motion axes and sensor vision, pioneering a new approach to equipment and production line control.

Accelerating Global Expansion to Build Sustainable International Competitiveness

We are strengthening our international competitiveness through a comprehensive global layout covering products and brands, marketing and services, manufacturing and R&D. This approach enhances our core capabilities, mitigates operational risks and builds resilience to navigate business cycles. In 2022, 2023, 2024 and the first nine months of 2024 and 2025, our revenue from overseas markets accounted for 33.8%, 34.3%, 34.2%, 33.8% and 29.4% of our total revenue, respectively. The gross margin of our overseas business remained above 30% throughout the Track Record Period, reflecting stable profitability and strong growth potential.

Globalization of Products and Brands

We have gradually built a global product and brand portfolio through both organic growth and strategic acquisitions. On the one hand, we steadily advance the Estun brand in international markets to improve recognition and acceptance of our products among overseas customers. In June 2025, we showcased our cutting-edge technologies and solutions at AUTOMATICA in Munich, Germany, one of the world's premier trade fairs for industrial automation and robotics. Highlights included our 1ms real-time control technology (ERI), which breaks barriers in high-end applications, and our dynamic collaborative safety solutions, which are reshaping traditional production models. Our latest innovations drew attention from the market, marking a pivotal shift for Chinese robotics, from being a participant in global competition to helping define the rules of the game. On the other, we have acquired leading players such as Trio, Cloos, and M.A.i., integrating their strengths to rapidly scale our global product offering in the field of industrial automation. We also adapt our product development and manufacturing process to align with the technical standards and customer requirements of diverse markets. As a reflection of our commitment to excellence and adherence to stringent standards, we have earned multiple internationally recognized certifications across various regions, such as CE, UL, cETLus, and TÜV CE, demonstrating recognition from authorities worldwide for our high-quality standards. Through sustained overseas sales, we are gradually building a solid customer base and expanding our global brand presence.

Localized Marketing and Service Network

As of September 30, 2025, we had established 75 service sites worldwide and employed 1,090 overseas staff, with operations spanning major manufacturing and developed regions across Europe, the Americas and Asia. We view Europe as a strategic starting point in our journey toward becoming a global leader in industrial robotics. To that end, we have established subsidiaries and built localized teams in several European countries, with team members possessing extensive experience in the robotics industry. In other overseas markets, our localized teams possess a deep understanding of local market dynamics and cultural contexts, enabling them to accurately identify customer needs and respond efficiently. By combining accessibility, insight and agility, we provide 24/7 support and consistently deliver service that exceeds customer expectations worldwide.

Globally Coordinated Manufacturing

We have established a global manufacturing network anchored in China and supported by key overseas manufacturing bases. As of September 30, 2025, we operated seven manufacturing bases worldwide. Among these, five domestic manufacturing bases follow a "Local for Global" model, leveraging China's efficient supply chain to provide high-performance, cost-effective and accessible automation solutions to customers worldwide. At the same time, we have set up and operated manufacturing bases in Europe, to stay close to European markets and offer flexible and responsive local production that enhances our global delivery efficiency.

Integrated Global R&D System

We have R&D centers in China, Germany and the U.K., forming a collaborative innovation network. Aligned with global industry trends and remained responsive to regional market demands, we are able to focus precisely on key areas of technological advancement. Our overseas teams bring technical expertise, providing the theoretical frameworks that guide innovation, while our domestic teams excel in responsiveness and rapid iteration. By combining these strengths, we have significantly improved R&D efficiency, continuously delivering forward-looking and practical innovations that support our customers with globally competitive solutions.

Full Industry Chain Capabilities Covering "Core Components + Fully Assembled Robot + Solutions" to Meet One-Stop Service Needs

We endeavour to establish a self-sufficient value chain that encompasses core components, fully assembled robot to intelligent manufacturing solutions. This approach allows us to offer cohesive, robot-centered automation solutions that cover the entire lifecycle of industrial automation.

A Comprehensive Robot Product Portfolio Covering All Scenarios and Payloads

We have developed a product portfolio of 96 industrial robots, covering payloads from 3kg to 1,000kg, balancing general-purpose flexibility with application-specific precision. On the one hand, our general-purpose and lightweight robots serve a wide range of typical scenarios with diverse demands for payload, installation space and operational intensity. Particularly in the heavy-duty and ultra-heavy-duty segment, we offer a full lineup of robots with features such as downward reach, enhanced protection, ultra-long arm reach and multi-scenario adaptability. Our 700kg ultra-heavy-duty robot was included in the *Catalog of Nationally Recognized First-of-its-Kind Innovative Products* (首台(套)重大技術裝備推廣應用指導目錄(2024年版)), marking a breakthrough as the country's first high-performance ultra-heavy-duty robot. To overcome the critical bottlenecks in heavy-duty transmission technologies, we innovatively adopted a "dual-motor + dual-reducer" architecture and successfully launched a 1,000kg payload robot, significantly enhancing China's core competitiveness in heavy-duty robotics.

On the other hand, we also address sector-specific challenges by offering specialized robots for protection, bending, palletizing, stamping and welding. These are designed to tackle the unique technical difficulties in complex operating environments. For instance, our self-developed fifth-generation photovoltaics stringing robot, with a 2010mm ultra-long arm, integrated high-precision vision-control system and proprietary process-specific software package for stringing, was recognized as *Champion Enterprise in a Niche Manufacturing Sector* (製造業單項冠軍企業). It enables one-click format switching and leads the world in production efficiency. In the field of welding, we offer a complete ecosystem of technologies, from process, to software to hardware, providing high-quality welding solutions for complex materials, including medium-thick plates, ultra-thick plates, dissimilar metals and specialty alloys. We achieved full deployment of arc welding robots, welding power sources and teachless programming software. We also ranked first among domestic manufacturers in industrial robotic solutions market in China in terms of shipment volume of arc welding robot in 2024, with a market share of 7.9%, according to Frost & Sullivan. Looking forward, we aim to reshape welding automation through real-time programming, teachless welding, additive welding and ultra-high-speed arc welding technologies.

Additionally, supported by our proprietary robot controller, dedicated servo systems and mechanical design platform developed through forward engineering, a structured process of designing and developing products from initial concepts to finalized designs, we have established a closed-loop product iteration capability. Keeping pace with AI advancements, we continue to innovate in high-value and embodied intelligence robot products to meet the diverse and high-end demands of the global market.

Mastery of Core Automation Components and Motion Control Systems to Deliver Integrated High-Performance Solutions

We are a pioneer in the development of motion control systems and servo systems in China. Our motion control products include PC-based controllers, high-performance motion controllers and motion programmable logic controllers (PLCs). Leveraging in-house R&D and the strategic acquisition of Trio, we have developed technologies such as high-precision synchronized control and advanced motion algorithms. Our servo portfolio includes high-end, general-purpose and industry-specific servo systems, all certified to international standards such as UL, CE and RoHS, meeting the global market's strict safety and reliability demands.

By systematically integrating motion control, servo systems and other key automation components such as inverters, I/O modules and sensors, we deliver highly tailored, fast-to-deploy and cost-effective control solutions. This enables customers to build efficient and stable automation systems with minimal effort.

AI Powered Digital Platform for Building Lifecycle Industrial Robot Solutions

Our mastery of automation components and motion technologies also allows us to customize industrial robots based on specific industry needs, offering optimal automation solutions across customers' full manufacturing lifecycle.

We were an early mover in introducing advanced German intelligent manufacturing technologies and Industry 4.0 concepts, an initiative that promotes the digital transformation of manufacturing through cyber-physical systems, realtime data, and smart automation, helping upgrade robotics system integration toward mid-to-high-end applications. Backed by well-established technologies and years of industry experience, and informed by experience with customer needs, we have delivered benchmark smart manufacturing production lines and factories across both emerging and traditional industries.

Our proprietary E-Noesis industrial internet platform, together with intelligent gateways and supported by edge and cloud computing, enables millisecond-level data collection and processing. It provides a real-time and system-wide view of equipment and production line status. The E-Noesis platform leverages big data and digital twin technology to enable full-lifecycle management of robots. The platform's built-in digital knowledge models support functions such as online quality management, yield rate analysis and prediction, and production alerts, empowering customers with data-driven decision-making and significantly enhancing production management and operational efficiency. The platform's built-in AI programming assistant allows users to issue "conversational" commands in place of complex coding, significantly lowering the barriers to robot integration and debugging, and enabling truly zero-code industrial robot operation. The AI maintenance assistant supports natural language queries for fault diagnosis, maintenance procedures, and operational knowledge. It also unifies semantic indexing and enables in-depth queries and responses across heterogeneous data sources such as blueprints, manuals, and historical work orders.

The E-care platform combines IoT connectivity with cloud computing to deeply integrate OT and IT systems. By breaking down data silos, it provides end-to-end remote support for equipment, effectively improving fault resolution efficiency and reducing unplanned downtime. Its integrated over-the-air updates and continuous sensor monitoring dramatically shorten response times. With E-care, the costly traditional model of on-site service is being fundamentally transformed.

"Vertical + Horizontal" Robotics-based Solutions Empowering All Industries: Collaborating with China's Emerging Industry Leaders to Usher in the Era of Extreme Manufacturing

We are committed to delivering complete robotics-based intelligent manufacturing solutions that drive transformation across a wide range of industries. From automotive, lithium battery, photovoltaics, and metal processing to electronics, construction machinery, construction materials, and packaging and logistics, we are helping to accelerate the shift toward digital, intelligent and green manufacturing.

We are at the forefront of the global transition to a zero-carbon future. Through cutting-edge technological innovation and deep industrial know-how, we are enabling emerging industries to undergo smart manufacturing transformations. In the power battery sector, we are the pioneer behind the ultra-high-speed lithium battery production lines. Leveraging the combined strengths of motion controllers, servo systems, industrial robots, machine vision and digital technologies, we deliver comprehensive intelligent solutions across the entire battery manufacturing chain, including cell production, module assembly and PACK, the assembly process that integrates multiple cells and modules into a complete battery pack. These solutions help lithium battery manufacturers build lean, efficient and highly flexible production lines, pushing the boundaries of productivity. In photovoltaics, we bring our expertise across every critical stage, from polysilicon and wafer production to solar cell fabrication and module encapsulation. We offer high-value and customized solutions for challenging processes, helping customers overcome application bottlenecks. As of the Latest Practicable Date, the shipment volume of our application-specific Estun robots for photovoltaics manufacturing exceeded 15,000 units, advancing the global photovoltaic industry through Chinese industrial robotics innovation.

Guided by our mission of *smarter manufacturing*, we are extending our intelligent manufacturing solutions to transform diverse industries. In automotive manufacturing, we are breaking the dominance of the world's four major industrial robotics brands and expanding into the full spectrum of intelligent manufacturing, from parts processing to complete vehicle production. Our projects have set new benchmarks across the industry. Notably, we delivered fully domestic and heavy-duty robotic press line for automotive exterior panels, filling a critical gap in high-end stamping equipment. In the metal processing sector, we offer a comprehensive solution suite covering the entire production flow, from die casting, decoiling, and leveling to stamping, bending, welding and grinding. We pioneered dedicated intelligent bending robot, significantly enhancing the efficiency of the bending process. We ranked first in the global industrial robotic solutions market in 2024 by shipment volume of industrial robots for sheet metal bending, with a market share of 7.8%, according to Frost & Sullivan.

Harnessing Data and Application Advantages to Accelerate the Adoption of Robotics-based AI Across Industrial Scenarios

As AI continues to rapidly penetrate the physical world, industrial settings have emerged as the largest application domain for the integration of robotics and AI. Empowered by advanced AI technologies, our industrial robots now incorporate large language models, multimodal sensing, machine vision, voice interaction, deep learning, and reinforcement learning algorithms. These capabilities endow our robots with enhanced adaptability and self-evolution, enabling them to better respond to dynamic environments and carry out increasingly complex tasks involving multiple variables and intricate workflows. This deep integration not only optimizes existing use cases and enhances intelligence levels, making robots easier to use, but also unlocks new application scenarios across various industries, continuously expanding the boundaries of industrial robotics.

Our Foundational Architecture for Robotics-based + AI Integration

We have developed an AI-ready control system architecture that emphasizes openness, compatibility, and scalability, providing a robust foundation for industrial intelligent applications. Built on a distributed framework, the system offers flexible deployment options, local, edge, or cloud-based, depending on the AI model and scenario, giving customers greater control over computing resources and data security. Cloud services handle global management, big data analysis, and complex decision-making. Intelligent gateways process real-time local data, run AI inference, and make local decisions to reduce cloud workload. Local deployments can also be equipped with AI extension cards to enhance specific industrial tasks, such as visual inspection and path planning.

The architecture is equipped with our virtual controller engine of robot control system and AI-driven parameter tuning, enabling high-precision visual simulation and AI model training in virtual environments. This allows motion planning and algorithm iteration to be completed efficiently before physical testing, greatly reducing debugging time and cost.

We have also developed an open and universal control interface called EstunRobot Real-Time Interface (ERI), designed for advanced robotic applications. ERI connects seamlessly with large AI models and the ecosystem of robot operation system. It allows users to control robot movements in real time through external systems and to generate high-frequency, high-precision data streams. This supports advanced process control and AI-integrated development.

This architecture allows our industrial robots to integrate with AI more efficiently and flexibly, enabling faster deployment and iteration in real-world industrial environments.

Unlocking More Industrial Scenarios with Robotics-based AI Technologies

The fusion of robotics and AI relies not only on advancements in control systems, mechanical design, and cutting-edge AI technologies, but also on a deep reservoir of process data and refined use-case experience. With a large installed base of robots in the market, we've built a solid foundation in the industry. By accumulating extensive on-site experience and building a comprehensive AI knowledge base, covering data collection, AI-driven operations, AI programming, and AI-based tuning, we have developed a rich industrial knowledge graph and a collaborative data system. These resources give us a significant head start in truly integrating robotics and AI. Set forth below are examples of how we integrate robotics with AI in real-life industrial context.

- *Teaching-free intelligent welding system*. We have developed a 3D vision-based teaching-free welding system that combines robotic control, vision sensing, and image processing. With real-time reinforcement learning and welding-specific AI models, the system automatically detects welding seams, plans welding paths, and adjusts deviations in real time. It predicts welding quality by analyzing multimodal data, helping reduce downtime and maintenance costs. The system is suitable for small-batch, high-flexibility, and complex-shape applications such as welding, grinding, and assembly.

- *Intelligent truck loading system*. Using machine vision and reinforcement learning, this system can automatically recognize cargo type, size, weight, and stacking needs, and adjust loading plans accordingly. It plans optimal paths for stable stacking, efficient space use, and obstacle avoidance, improving both speed and safety in truck loading.

- *3D vision unpacking robot*. By integrating 3D vision and AI algorithms, this robot can handle complex stacks of boxes or soft bags of different shapes and sizes. It adjusts its arm movements in real time, plans optimal gripping paths, and avoids collisions, increasing the efficiency and reliability of material handling.

Looking ahead, our robotics-based AI technologies will continue to penetrate deeper into industrial scenarios, driving intelligent automation and accelerating real-world adoption.

An Experienced Management Team with Global Perspective

Our management team brings strategic foresight and strong execution capabilities, consistently guiding us through key phases of growth with a clear vision of globalization. With a deep understanding of industry dynamics, our management team have led us in expanding into international markets through in-house innovation, strategic acquisitions and integration, driving Chinese-made industrial robots on the world stage.

Our overseas management team comprises seasoned professionals from leading global robotics companies, with core team members possessing extensive experience in the robotics industry. With extensive experience in the global markets, especially in Europe, they possess deep insights into local business environments, industry practices and customer preferences. Their ability to quickly identify and act on market opportunities has led a solid foundation for our global business expansion and brand development, driving us toward greater breakthroughs on the international stage.

OUR STRATEGIES

With the goal of building a world-renowned brand for Chinese robotics, we are committed to developing a deeply integrated global network that spans R&D, manufacturing, delivery, and service. By advancing the integration of robotics and AI technologies, we aim to expand the application scope of industrial robots and unlock new market opportunities. Leveraging our full value chain advantages in the industrial robotics sector, we plan to build factories centered around robotics and develop open platforms to foster a collaborative and innovative robotics ecosystem.

From China to the World: Building a Global Brand for Chinese Robotics

With a bold ambition to build a global brand for Chinese robotics, we aim to penetrate into the trillion-RMB industrial robotic solutions market traditionally dominated by the world's four major robotics brands. Our strategic focus is on key regions such as Europe, recognized for their central role in shaping global industry trends. By deepening our presence in these markets, we are accelerating our transition from a domestic leader to a top-tier global player.

Our strategy is built on the integration of China's robust industrial ecosystem with localized service in overseas markets. Leveraging China's manufacturing scale and engineering talent pool, we are advancing our international expansion by establishing experienced management teams in Europe and setting up localized manufacturing bases in key markets. At the same time, we are establishing global delivery centers and expanding our sales and service network, creating a global matrix of R&D, delivery, and service network that reflects the entrepreneurial spirit of Chinese enterprises while ensuring competitiveness in cost control, response speed and supply chain resilience.

We place strong emphasis on maintaining independent control over core technologies, with a focus on continuous enhancement of precision, speed, stability and protection standards. Our R&D will focus on (i) developing open-source, application-driven industrial robot control platforms; (ii) integrating embodied AI into industrial robots; (iii) advancing precision motion control and high power-density motor technologies; (iv) enhancing the safety of our robots, including safety-critical components and technologies to enable safe human-robot interaction; and (v) building digital-twin capabilities and industrial software platforms. By advancing our proprietary core components and motion control algorithms to break through barriers to entry into the high-end market, transforming our role from technology follower to standard setter.

To further strengthen our global brand presence, we are actively engaging top-tier overseas customers and building landmark reference cases with demonstrable value. These efforts aim to enhance Estun's global brand recognition and establish a reputation for trusted technology, reliable service and long-term partnership.

Our growth strategy combines organic development with targeted acquisitions to accelerate globalization. Leveraging our extensive experience in cross-border M&A, we will continue to drive deep integration across manufacturing, supply chains, market channels and technology platforms, creating a proven model for international expansion in the advanced manufacturing sector and laying a solid foundation for long-term global success.

We plan to strengthen our global service capabilities and implement a globally integrated digital management system to increase brand visibility and reinforce our competitive position in international markets. We will prioritize enhancing international sales coverage and expanding our after-sales service infrastructure, with a strategic focus on Europe, South America and Southeast Asia. In parallel, we will design and roll out a unified digital management platform across regions to standardize processes, enhance operational visibility and support scalable growth.

We will also invest in expanding production capacity to support our global expansion. On the one hand, we plan to commission new facilities in China to expand and upgrade production for our industrial robots and intelligent manufacturing systems. The new facilities are intended to add incremental capacity, remove critical bottlenecks and improve operating efficiency. Consistent with our Local for Global production model, we will continue to leverage supply chain advantages in China to deliver cost competitive products and solutions to customers worldwide. On the other hand, we intend to further expand our overseas manufacturing footprint, with a particular focus on Europe. Our planned European production facility underscores our commitment to the region and our intention to expand operations in one of our key markets.

Unlocking Growth Opportunities through Integration between Robotics and AI Technologies and Business Model Innovation, and Accelerating the Deployment of Embodied Intelligence in Industrial Scenarios

We are exploring robotics applications in untapped fields where traditional industrial robotics manufacturers have limited reach. By driving "robot-for-labor" and "robot-for-equipment" substitution, we aim to accelerate the adoption of robots in new scenarios and redefine global competitive landscape in industrial automation. As the organization chairing the first Jiangsu Provincial Embodied Intelligence Robotics Industry Alliance, we are committed to accelerating the advancement of industrial robots from mid-level to high-level intelligence. In response to the rising wave of embodied intelligence, we have taken the lead in developing industrial robots that combine AI technologies with a dual-arm structure. By integrating key technologies such as multimodal perception, visual intelligence, large language models, and reinforcement learning, we aim to endow robots with the coordination and dexterity of human hands. We continue to explore deeply applicable industrial scenarios, driving the boundaries of intelligent manufacturing through practical innovation and execution. We are also pioneering robot-based models that replace standalone machines with autonomous processing, real-time process adjustment and multi-unit collaboration, unlocking vast new growth opportunities and reshaping productivity paradigms.

We are also advancing robotics-based AI solutions that combine ease of use, high performance and safety to meet customer demands. By focusing on real-world applications and practical value, we are conducting integrated R&D in robotics, AI and big data. With years of experience in industrial robotics and a wealth of application scenarios and datasets, we are uniquely positioned to lead the training of AI-powered robots, developing intelligent systems capable of sensing, decision-making, and autonomous execution.

Expanding Intelligent Factory Solutions for Discrete Manufacturing through Robotic Automation and Industrial Control Software

Leveraging our deep technical expertise and business insights in robotics and factory automation, we aim to develop tailored solutions that address the unique needs of various sectors. For example, we can customize command names and user interfaces in the software to improve ease of use and adaptability for specific applications. For a particular lithium battery customer, we provided software-level customization, including dedicated commands and interface settings, to support the mixing of battery powder. While enabling robot-centric factory automation, we also empower customers to achieve fully unmanned and intelligent operations through our industrial software platform, driving holistic improvements in production efficiency, product quality, and operational sustainability. Our comprehensive solution will span all layers of industrial automation, including execution, sensing, drive, control, and edge layers, and seamlessly connect with the top-tier information layer. This enables full-spectrum automation, digitalization, and intelligent transformation across a wide range of industrial scenarios. We intend to provide solutions that range from basic automation to cutting-edge intelligent systems, delivering a seamless integration of information technology and operational technology. Our industrial software platform incorporates functions such as design simulation, virtual commissioning, process planning, and production management. With robust capabilities in programming, monitoring, and control, it supports end-to-end development, deployment, and operation, from raw materials to finished products, and from individual equipment to entire production lines. Beyond improving efficiency, cost-effectiveness, and quality, our platform enables a fundamental reconfiguration of manufacturing logic, organizational structure, and governance. We expect it to empower the transition from process-driven to data-driven manufacturing, from automation to intelligence, and from manual control to human-machine collaboration, ultimately helping each discrete manufacturing subsector to achieve its optimal intelligent operating model.

Building an Open Platform and a Collaborative Robotics Ecosystem

To build a thriving industrial ecosystem and enhance customer stickiness, we plan to establish a layered open platform centered around robotics, with a focus on developing application-oriented industrial robot control systems. The layered open platform will not open source our motion control firmware and low-level instruction firmware. Instead, it will provide open access to the software development kit for instruction development and the motion control application programming interfaces to support customers in extending applications. For example, based on the motion control firmware and low-level instruction firmware we provide, customers can develop specialized commands and force control algorithms for polishing according to their specific application needs. Leveraging the scalability of our platform-based approach, we aim to accelerate hardware design, optimize operating systems, and refine control architectures to create a robust robotics industry value chain. This will strengthen our symbiotic relationships with system integrators and end users, moving beyond standalone products offering to deliver shared value through optimal resource allocation and collaborative innovation.

We will provide platform-based products built on a robot-centric foundation, supporting customers' needs for customizable robotics solutions. We are dedicated to developing advanced programming languages to enhance the adaptability and functionality of programmable logic controllers (PLCs) and industrial PCs. We will open application programming interfaces (APIs) and developer toolchains to facilitate secondary application development, modular encapsulation, IP protection, and personalized interface design for our partners. We will explore advanced robotic application scenarios while continuously optimizing the industrial-grade real-time control interface solution, enhanced real-time interface (ERI). Seamlessly integrating with AI large models and the robot operating system ecosystem, the ERI empowers users to drive robot actions in real time through external systems, delivering high-speed, high-precision process data streams to meet the complex development needs of advanced process control and AI-integrated deployments. To further improve cross-platform compatibility, we will create more intuitive environments for programming and human-machine interaction, offering full-stack development support from low-level control to high-level applications. Emphasizing ease of use and openness, we are building a data-driven, collaboration-powered, platform-enabled robotics ecosystem. Concurrently, we are building an open ecosystem platform to onboard external developers and social resources for collaborative robotics innovation.

OUR PRODUCTS

We mainly engage in the R&D, manufacturing and sales of industrial robots and intelligent manufacturing systems, along with core automation components and motion control systems, which form integral parts of our industrial robots and intelligent manufacturing systems. Specifically, Within the core automation components and motion control systems segment, our motion control systems, in combination with servo systems, can drive the movements of our industrial robots, or constitute motion control solutions for various automation equipment. Our industrial robots, together with certain peripheral equipment, are assembled into industrial robot workstations to perform specific production tasks. Built on these, our intelligent manufacturing systems integrate our industrial robots and/or industrial robot workstations, and core automation components and motion control systems to deliver comprehensive automation solutions.

This vertically integrated model ensures coordination across the value chain, enhances product reliability and accelerates innovation cycles. Supported by our R&D capabilities and ongoing investment in proprietary technologies, we are positioned to contribute to the advancement of intelligent manufacturing and to provide automation solutions that adapt to our customers' needs.

The following table sets forth a breakdown of our revenue by business line for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Industrial robots and intelligent manufacturing systems	**2,838,648**	**73.1**	**3,594,821**	**77.3**	**3,029,103**	**75.6**	**2,600,585**	**77.2**	**3,138,297**	**82.5**
– Industrial robots	924,589	23.8	1,446,121	31.1	1,232,580	30.7	1,049,293	31.1	1,397,913	36.7
– Intelligent manufacturing systems	582,627	15.0	610,469	13.1	747,022	18.7	697,331	20.7	927,016	24.4
– Industrial robot workstations	1,331,432	34.3	1,538,231	33.1	1,049,501	26.2	853,961	25.4	813,368	21.4
Core automation components and motion control systems	**1,025,480**	**26.4**	**1,040,015**	**22.3**	**976,276**	**24.3**	**767,066**	**22.7**	**662,495**	**17.4**
– Motion control systems	117,808	3.0	137,676	3.0	100,342	2.5	78,802	2.3	78,455	2.1
– Servo systems	314,579	8.1	267,512	5.8	241,241	6.0	186,297	5.5	137,330	3.6
– Motion control solutions	593,093	15.3	634,827	13.5	634,693	15.8	501,967	14.9	446,710	11.7
Rentals	**16,651**	**0.5**	**17,113**	**0.4**	**3,393**	**0.1**	**2,623**	**0.1**	**2,778**	**0.1**
Total	**3,880,779**	**100.0**	**4,651,949**	**100.0**	**4,008,772**	**100.0**	**3,370,274**	**100.0**	**3,803,570**	**100.0**

Brand Portfolio

To support our international growth and meet the diverse needs of customers across industries and regions, we have adopted a multi-brand strategy that leverages the strengths and market positioning of each brand in our portfolio. This approach not only allows us to offer highly specialized solutions but also enhances our ability to compete in a dynamic international landscape.

- ***"Estun".*** We have been operating under the "Estun" brand since our establishment and continuously strengthened its visibility and recognition in the industrial robotic solutions market. "Estun" serves as the cornerstone of our business, offering a broad lineup of robot models and selected core automation components and motion control systems.

- ***"Cloos".*** Acquired in 2020, "Cloos" significantly expands our capabilities in the industrial welding sector, in particular, the technologies supporting medium-plate and thick-plate welding process. Leveraging the brand's established market presence, we continue to strengthen our position in the welding automation market by delivering advanced robotic systems and turnkey welding solutions.

- ***"Trio".*** Acquired in 2017, "Trio" is a brand with established international presence in motion control. By combining Trio's advanced motion controllers with our servo drive technologies, we have evolved from a core component manufacturer into a provider of integrated motion control solutions. This enables us to deliver more complex and high-value solutions tailored to top-tier customers across various industries.

- ***"M.A.i".*** Acquired in 2017, "M.A.i" focuses on intelligent manufacturing systems and strengthens our presence in smart manufacturing. It incorporates technologies aligned with Germany's Industry 4.0 standards, an initiative that promotes the digital transformation of manufacturing through cyber-physical systems, real-time data and smart automation.

Industrial Robots and Intelligent Manufacturing Systems

Our industrial robots and intelligent manufacturing systems deliver a complete suite of automation solutions, including (i) industrial robots, which are programmable machines with multiple axes or degrees of freedom, capable of independently performing repetitive, physically demanding, or hazardous tasks, effectively replacing manual labor in industrial settings, (ii) intelligent manufacturing systems, which refer to turnkey product lines built around these robots, combined with the necessary peripheral and auxiliary equipment to complete specific workflows (iii) industrial robot workstations, which refer to relatively independent production unit centered around industrial robots, equipped with auxiliary devices such as controller, welding power source, positioners, end-effectors, tooling fixtures, sensors, conveyors, and safety systems to automatically perform a specific task. These systems are designed to minimize human intervention and significantly boost production efficiency and reliability. Our revenue generated from sales of industrial robots and intelligent manufacturing systems was RMB2,838.6 million, RMB3,594.8 million, RMB3,029.1 million, RMB2,600.6 million and RMB3,138.3 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively, accounting for 73.1%, 77.3%, 75.6%, 77.2% and 82.5% of our total revenue for the same periods.

The market for industrial robotic solutions is characterized by remarkable scale and sustained growth. From 2020 to 2024, the market size of the global industrial robotic solutions market in terms of revenue increased from USD14.7 billion to USD25.4 billion at a CAGR of 14.6%, according to Frost & Sullivan. Projections indicate substantial expansion, reaching USD51.8 billion by 2029, reflecting a CAGR of 15.4% between 2024 and 2029, according to the same source. We have secured a solid market presence, with rankings and market share across core product lines and application scenarios, according to Frost & Sullivan:

- We ranked first in the global industrial robotic solutions market in 2024 by shipment volume of industrial robots for sheet metal bending and industrial robots used in photovoltaic sector, respectively, with a market share of 7.8% and 11.0%, respectively.

- We ranked first in the industrial robotic solutions market in China in 2024 by shipment volume of industrial robots used in the power battery sector, with a market share of 16.9%.

- We ranked fifth in the global industrial robotic solutions market in 2024 by shipment volume of arc welding robots, with a market share of 5.3%.

Industrial Robots

Our industrial robot product matrix has evolved into a full-fledged portfolio, structured around two major categories, including general-purpose models and application-specific models.

The following table summarizes the industrial robots we currently offer:

	Product line	Payload	Number of models we offer	Major Downstream Applications
General-purpose industrial robots	The SCARA Series(1)	3kg-50kg	12	Electronics, automotive, lithium battery
	Light-duty robots	4kg-35kg	16	Electronics, automotive, metal processing, photovoltaic
	Medium-duty robots	35kg-100kg	5	Automotive, metal processing, photovoltaic
	Heavy-duty robots	100kg-280kg	9	Automotive, lithium battery, metal processing, construction materials
	Ultra-heavy-duty robots	280kg-1,000kg	8	Automotive, lithium battery, metal processing
Subtotal			**50**	

	Product line	Payload	Number of models we offer	Major Downstream Applications
Application-specific industrial robots . .	Arc welding robots	4kg-15kg	21	Automotive (including electric vehicle), steel structure, shipping building
	High-IP-rated robots(2)	30kg-170kg	9	Die casting, refractory materials, grinding, metallurgy
	Cleanroom robots	7kg-10kg	6	Semiconductors, food processing, pharmaceuticals, flat panel glass, precision electronics
	Palletizing robots	60kg-500kg	5	Packaging and logistics, chemical industry, food and beverage industry
	Bending robots	45kg-130kg	3	Sheet metal
	Stamping robots	15kg-150kg	2	Automotive, metal processing
Subtotal			**46**	
Total.			**96**	

Notes:

(1) Representing selective compliance assembly robot arm (SCARA), a four-axis robot product line known for high-speed, horizontal motion in pick-and-place and soldering applications.

(2) Representing robots featuring enhanced protection against dust and water, allowing them to operate reliably in demanding industrial conditions.

This product matrix allows us to achieve economies of scale through standardized offerings, while also addressing industry-specific challenges with dedicated and high-performance solutions. We determine and define each model based on a comprehensive assessment of factors such as product positioning, key parameters, performance characteristics, and application scenarios. Among these 96 models, we offer both general-purpose models suitable for multiple industries and application-specific models designed for specific processes or sectors. For example, to meet the high-temperature, high-humidity, and highly corrosive conditions of the die-casting industry, we redesigned the ER220-3100 general-purpose robot to create a new high-IP-rated model. Modifications include sealed wrist joints, heat- and corrosion-resistant coatings, and a linear soft-floating software function tailored for die-casting operations. The resulting ER220-3100-P and related models can operate reliably under the harsh conditions of the die-casting industry. We also make certain product adjustments to meet the specific requirements of individual customers. Such modifications do not constitute new models, as they do not involve any substantive changes to the functions or design of the products. For example, some customers request customized colors for their robots to align with their factory color schemes, which does not result in the creation of a new model.

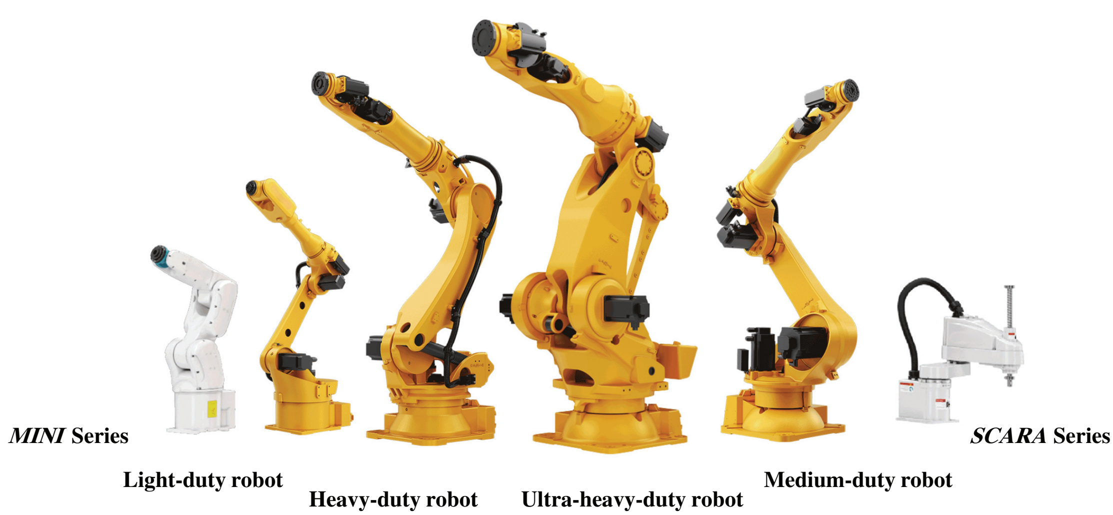
General-Purpose Industrial Robots

Our general-purpose industrial robots include 12 four-axis models under the *SCARA* Series, and 38 six-axis models.

The *SCARA* Series is designed to provide stable performance for smoother motion control and consistent speed, achieving a standard cycle time of 0.38 seconds to 0.43 seconds. With high-precision repeat positioning accuracy, they ensure consistently accurate operations. Dedicated motors and customized reducers boost efficiency, delivering cycle time improvements. Models with 20kg-50kg payloads use a multi-link structure for significantly improved end-tool stability. They are paired with our third-generation control cabinet, which significantly reduces robots' size and uses less cabling, enhancing system reliability.

Our six-axis general-purpose industrial robots are structured in tiers based on payload, offering broad applicability across diverse industry verticals. We possess technological advantages in the field of heavy-duty and ultra-heavy-duty industrial robots, with expertise in structural design, precision motion control, and system stability under extreme operating conditions. In 2024, our 700kg ultra-heavy-duty robot was included in the *Catalog of Nationally Recognized First-of-its-Kind Innovative Products* (首台(套)重大技術裝備推廣應用指導目錄(2024年版)) issued by MIIT, marking a significant breakthrough for high-performance heavy-duty industrial robots in China. In addition, we have successfully launched a high-capacity 1,000kg payload robot in 2025.

The image below illustrates our portfolio of general-purpose industrial robots.



Our general-purpose industrial robots possess the following features:

- *Comprehensive payload range*. Our lineup of general-purpose industrial robots spans light to ultra-heavy-duty, with payloads up to 1,000kg and maximum reach of 3.7 meters, offering a comprehensive portfolio that meets the payload and reach requirements of the vast majority of industrial automation scenarios, such as high-speed tabbing and stringing of photovoltaic modules, spot welding for automotive body-in-white, metal grinding and polishing, and large integrated die-cast components.

- *High precision and stability*. Engineered for high-precision performance in dynamic manufacturing environments, our general-purpose industrial robots offer repeat positioning accuracy (重複定位精度) of ±0.03mm to ±0.08mm and point absolute accuracy (點位絕對精度) of ±0.2 mm to ±0.5mm. They also demonstrate excellent dynamic stability, with a stabilization time of less than 0.2 seconds in a 0.4mm deviation range. This level of precision and stability ensures robots perform complex tasks consistently and accurately, crucial for applications requiring strict motion control and reliable positioning.

- *Proprietary robot control systems.* Our general-purpose industrial robots are powered by a self-developed control system designed through a forward engineering approach. This "next-generation" controller integrates core technologies, hardware, software architecture, and control algorithms in a highly coordinated manner, enabling easy functional scalability and continuous performance upgrades. By combining this system with optimized robot body design, we unlock the full potential of the robot's capabilities, delivering fast cycle times, high precision, and strong stability.

- *Advanced functional safety*. Safety is a key feature of our general-purpose industrial robots. Designed to meet rigorous industry standards, our robots comply with the PLd Category 3 standard as defined by ISO 13849-1, signifying high risk reduction through redundant and reliable control architectures. Advanced safety features include continuous monitoring of position, speed and designated safety zones, enhancing protection for operators and equipment in complex and high-risk environments.

Application-specific Industrial Robots

Our portfolio of application-specific industrial robots consists of 46 models tailored to meet specialized industry demands. Designed with four-axis or six-axis configurations and payloads of 4kg-500kg, these robots are built to perform consistently across a variety of industrial scenarios where standard automation solutions may fall short.

The image below illustrates our portfolio of application-specific industrial robots.

Our application-specific industrial robots are purpose-built, with design and functionality driven by real-world production needs. Whether for stamping, welding, or other high-intensity operations, each robot integrates mechanical innovation, control systems and application-specific intelligence to deliver targeted performance and long-term reliability.

Our bending robot features an optimized axis-length configuration tailored to meet the requirements of bending sheet metals of various sizes and angles. It is equipped with a comprehensive process-specific software package that supports both input/output (I/O) and Ethernet communication, allowing for flexible connectivity and simplified wiring. Additionally, the system comes with offline programming software that enables the verification and debugging of new processes in advance, enhancing efficiency and reducing on-site commissioning time.

For demanding welding, our arc welding robots offer optional thick-plate functions, which enables the robots to handle welding of medium- to thick-gauge metal plates commonly used in heavy industry. These functions include arc tracking, nozzle searching and multi-layer/multi-pass welding. Our multi-function welding systems support advanced processes like variable pulse, rapid deep fusion and speed pulse welding. Integrated torch-cleaning stations enable automatic cleaning during operation, supporting safer, more efficient and user-friendly welding workflows.

In 2022, 2023, 2024, and the first nine months of 2024 and 2025, we sold 11,852 units, 18,952 units, 22,304 units, 18,248 units and 24,884 units of industrial robots, respectively. The sustained growth in the sales volume of our industrial robots was primarily driven by (i) increasing market recognition and acceptance of our products, reflecting their reliability and performance across diverse applications, and (ii) our proactive efforts to expand market share, strengthen customer relationships, and build a solid and diversified customer base, thereby laying the foundation for long-term, sustainable growth.

Process-Specific Software Packages

Our process-specific software packages are specialized application software that enable robots to perform specific industrial tasks, such as arc welding, spot welding, palletizing and bending, with high precision and efficiency. They include pre-programmed logic, sensor integration, quality control routines and task-specific operator interfaces that directly enhance a robot's ability to execute complex operations in real-world production environments. Embedding these packages directly into our robots strengthens our standard products' technological edge while enabling precise solutions for key industries, serving as a powerful driver for industrial upgrading.

Take arc welding as an example. Arc welding faces challenges such as inconsistent part positioning, weld seam variation and frequent arc initiation failures, especially in large or irregular structures like steel frameworks or rail transit components. Our arc welding software package tackles these issues with an intelligent system developed from over a numerous on-site cases. It eliminates manual calibration by combining a teaching-free API with multi-sensor fusion, including laser seam positioning, arc tracking and contact-based positioning. These technologies work together to automatically locate the weld path and adjust for deviations in real time. To ensure weld quality, the system implements comprehensive fault-handling: detecting arc initiation failures, arc loss, arc reignition welding, reignition with path retrace and torch anti-collision protection, reducing downtime and repair costs. This software package is highly compatible with major welding machine brands and supports techniques like laser welding and multi-pattern weaving, making it suitable for both basic and high-end welding tasks.

Our software packages are primarily sold as an integrated component of our industrial robotics solutions. These packages are bundled with the robots based on the customer's intended application and delivered as part of a fully integrated system. For instance, if a customer orders a robot for arc welding, the corresponding arc welding software package is pre-installed and configured in the robot prior to shipment. Typically, we charge customers a comprehensive bundled price that covers both hardware and software packages. In certain cases, such as offline bending programming, we offer software packages as optional add-ons with separate pricing to provide greater transparency into the pricing structure of our industrial robotic solutions. This approach allows customers to better understand the relative value we deliver through hardware and software components. However, despite being listed as optional, customers have consistently opted for the bundled pricing.

Additionally, our software packages can also be sold as standalone products to customers seeking to update their existing industrial robotics systems or to incorporate additional functionalities. We generated revenue from selling software packages as standalone products of RMB44.2 thousand, RMB71.2 thousand, RMB113.1 thousand, and RMB511.6 thousand in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively.

In the future, we intend to continue offering software packages as an integrated part of our robotic solutions while also exploring opportunities to sell software packages as standalone products to diversify our revenue streams. Furthermore, we plan to develop and offer additional process-specific software packages as standalone products to better address the diverse needs of our customers.

Intelligent Manufacturing Systems

Our intelligent manufacturing systems combine our proprietary industrial robots and core components into turnkey product lines to complete specific tasks with minimal human intervention. They normally cover a complete manufacturing process. Their core lies in linking multiple manufacturing steps, such as machining, assembly, testing, and packaging, to achieve large-scale output from raw materials to finished products. These systems are adaptable across a wide range of industries, including new energy, automotive, die casting and electrical systems. Whether for battery module and pack assembly, aluminum part casting, or electronic component integration, our manufacturing systems can be customized to meet diverse process requirements and production goals.

Our intelligent manufacturing systems offer three core advantages:

- *Synchronized control featuring high-speed and high-precision*. We utilize high-end multi-axis motion controllers to achieve a repeatability of positioning of ±0.05mm, meaning the robot can return to a previously taught position with a maximum deviation of only 0.05 mm. Our system can maintain a maximum synchronization cycle time of 1.0 millisecond utilizing the EtherCAT communication protocol. Paired with fast-response servo systems, our intelligent manufacturing systems enable smooth acceleration and deceleration, reducing vibration and boosting production efficiency.

- *Functionalities supported by the integration of multiple technologies*. Our systems leverage machine vision for closed-loop control, achieving a positioning accuracy of ±0.1mm and a recognition rates of over 99%. For instance, vision-guided welding tracks seam deviations as small as 0.1mm, and by combining vision and force control, it prevents battery housing from being deformed during busbar welding. We also implement digital twin simulation and virtual commissioning testing line to cut on-site debugging time significantly. Predictive maintenance via built-in sensors and edge computing further minimizes downtime.

- *Cost and efficiency optimization*. Core components of our intelligent manufacturing systems include industrial robots, motion controllers and servo systems. We achieve cost efficiency by manufacturing those core components in-house. Our localized supply chain ensures rapid maintenance support within eight hours. Energy-efficient robots and servo drives incorporate regenerative braking technology, which recovers energy generated during braking and feeds it back into the system, also help cut total energy consumption.

In 2022, 2023, 2024, and the first nine months of 2024 and 2025, we completed 156, 154, 147, 113 and 122 orders of intelligent manufacturing systems, respectively.

Industrial Robot Workstations

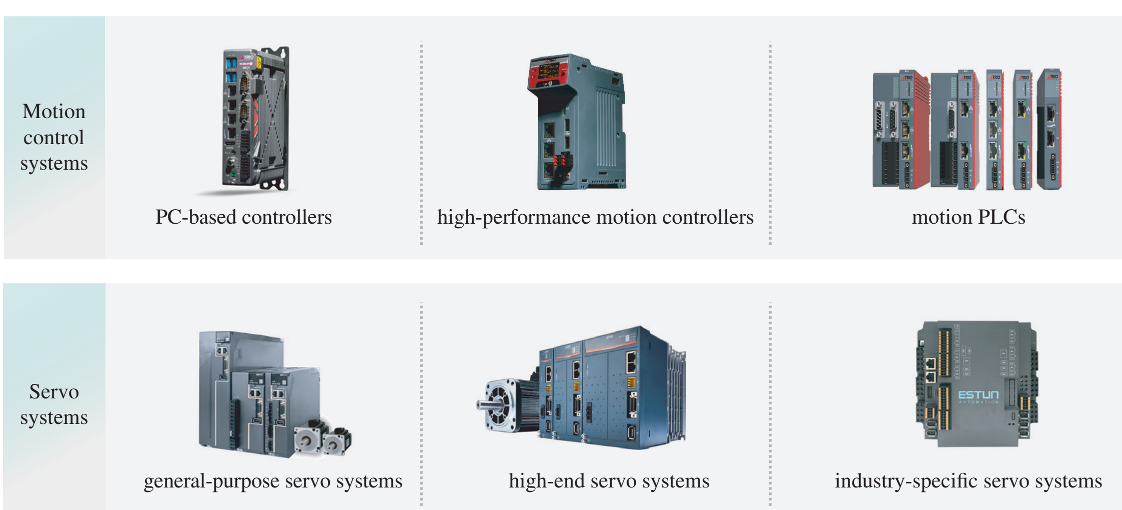
Our industrial robot workstations typically consist of one or more robots, a worktable, a control system, and peripheral supporting equipment. They are execution units responsible for carrying out a specific step in the manufacturing process. Their focus lies in the execution of a specific operation.

Our industrial robot workstations are widely used in applications such as welding, palletizing, grinding and polishing. In 2022, 2023, 2024, and the first nine months of 2024 and 2025, we completed 344, 324, 266, 224 and 191 orders of industrial robot workstations, respectively. The number of orders of industrial robot workstations declined notably in 2024, primarily because industrial robot workstations are primarily used for medium- and thick-plate welding, a process that is widely applied in the construction and machinery and heavy industry sector. In 2024, however, this industry sector experienced a downturn.

Core Automation Components and Motion Control Systems

Our core automation components and motion control systems deliver the foundational technologies powering intelligent manufacturing. It centers around three major product lines: (i) motion control systems, (ii) servo systems, and (iii) motion control solutions. We also manufacture drive-control systems for our own industrial robots. These offerings enable high-precision, high-speed and adaptable industrial automation across various application scenarios. Our revenue generated from sales of core automation components and motion control systems was RMB1,025.5 million, RMB1,040.0 million, RMB976.3 million, RMB767.1 million and RMB662.5 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively, accounting for 26.4%, 22.3%, 24.3%, 22.7% and 17.4% of our total revenue for the same periods, respectively.

The image below illustrates our product portfolio of motion control systems and servo systems.



Motion Control Systems

Our motion control systems act as the "brain and nerves" of intelligent machinery, enabling precise coordination of complex industrial movements. Motion control systems are the core components of intelligent manufacturing systems. While intelligent manufacturing systems aim to provide customers with comprehensive automated production line solutions, motion control systems are precisely the core links that undertake key execution and precise regulation functions. Widely used in electronics, lithium battery, semiconductor, packaging, photovoltaics and general manufacturing, we offer three main types of motion control products, including (i) PC-based controllers, (ii) high-performance motion controllers and (iii) motion programmable logic controllers ("**PLCs**").

PC-based controllers are built on industrial-grade personal computers (PC), combining computing power and motion control in one compact, fanless and low-power unit. These controllers can ensure ultra-fast data sharing between vision and motion control, maintaining operation even if the PC crashes.

Our high-performance motion controllers support up to 128 axes with fast response times down to 125 microseconds. Featuring flexible EtherNet or EtherCAT communication, they deliver significantly enhanced read/write speeds and payload.

Our motion PLCs combine motion control and logic processing in a slim design. They support multiple international programming standards, user-friendly features like tag-based communication and Chinese-language variables, and comply with major global safety certifications such as CE and UL. These controllers enable both high-speed operation and easy integration into complex automation systems.

In 2022, 2023, 2024, and the first nine months of 2024 and 2025, we sold 8,859 units, 8,574 units, 9,237 units, 6,656 units and 5,517 units of motion control systems, respectively.

Servo Systems

A servo system acts like the "muscles" of a machine, controlling mechanical movement to ensure it is fast, precise and smooth. Whether placing tiny components or carving metal parts, servo systems guarantee accuracy and stability. Our servo systems are widely used in semiconductor, precision machinery, printing, automotive, woodworking and metal fabrication.

We offer a full range of servo systems, including (i) high-end servo systems, (ii) general-purpose servo systems and (iii) industry-specific servo systems, meeting diverse industry needs. Our high-end servo systems are designed for demanding applications needing high speed, precision, reliability and intelligence. They support advanced features like full closed-loop control, energy-saving bus-sharing, smart diagnostics, long cable compatibility and environmental durability. Our general-purpose servo systems feature flexible control modes, strong overload capacity and intelligent tuning, making them easy to use and adaptable across various setups. We also provide industry-specific servo systems, available in multiple formats, from compact single-axis drives to integrated all-in-one units, supporting a wide range of communication protocols such as EtherNet, ProfiNet and CAN.

In 2022, 2023, 2024, and the first nine months of 2024 and 2025, we sold 123,238 units, 117,482 units, 120,951 units, 91,813 units and 85,767 units of servo systems, respectively.

Motion Control Solutions

Our motion control solutions integrate our motion control systems, servo systems, electro-hydraulic systems, and industry-specific software into a complete package tailored to particular industries, equipment, and application scenarios. Through these solutions, customers can enhance the precision, efficiency, quality, and level of automation of their equipment and production lines.

In 2022, 2023, 2024, and the first nine months of 2024 and 2025, we sold 33,387 units, 40,597 units, 40,934 units, 31,211 units and 33,822 units of motion control solutions, respectively. The sustained growth in the sales volume of our motion control solutions was primarily driven by (i) increasing market recognition and acceptance of our products, reflecting their reliability and performance across diverse applications, and (ii) our proactive efforts to expand market share, strengthen customer relationships, and build a solid and diversified customer base.

Robot Drive-Control System

Our robot drive-control system is developed for our own industrial robots. Building this critical system in-house ensures a stable and secure supply chain while keeping costs under control.

The system includes three major components, namely (i) robot controllers, (ii) robot servo systems and (iii) integrated robot drive-control unit. Robot controllers offer high flexibility through advanced programming capabilities and an extensive function library for easy customization. They support real-time multitasking, background operations and multi-robot coordination, enabling seamless control from single robots to complex multi-axis systems. Controllers also support user-defined commands, encrypted packaging and deeper integration for our partners. Robot servo system is known for its high speed, compact design, strong overload resistance and built-in protection, delivering power and safety in a small footprint. Our integrated robot drive-control unit combines precise motion control and energy-efficiency in one compact package. Supporting synchronized multi-axis control, intelligent tuning and diagnostics, it maintains high integration and a space-saving design.

Rental Income

During the Track Record Period, we leased out certain office buildings that were not planned for immediate self-use. This approach allowed us to optimize the utilization of our existing resources, including properties, thereby minimizing idle or underutilized assets. Simultaneously, it enabled us to diversify our revenue streams and generate an additional source of income. In 2022, 2023, 2024 and the first nine months of 2024 and 2025, our rental income amounted to RMB16.7 million, RMB17.1 million, RMB3.4 million, RMB2.6 million and RMB2.8 million, respectively, accounting for 0.5%, 0.4%, 0.1%, 0.1% and 0.1% of our total revenue for the same periods.

CORE TECHNOLOGIES

We constantly redefine intelligent manufacturing by combining robot hardware with a comprehensive digital ecosystem. Our expertise ranges from mechanical designs engineered for optimal payload and precision to software solutions that enable remote monitoring, predictive maintenance, and real-time process tuning. Leveraging an in-house control architecture alongside a scalable IIoT framework, we guarantee each robot delivers stable and reliable performance while equipping customers with actionable data insights.

Our General-Purpose Motion Control Technology

Advanced Servo Systems

We are committed to independently developing advanced servo systems, with full-stack capabilities across the design and manufacturing of core components, including encoders, servo motors, and servo drives. Our servo motors adopt a multi-objective design approach that emphasizes reliability, high power density, high overload capacity, low torque ripple, which ensures smooth and stable torque output for precise motion control, and energy efficiency. The servo systems feature high bandwidth and rigidity, rapid dynamic response, precise tracking, and intelligent auto-tuning capabilities, delivering overall performance on par with top-tier international brands. We pioneered the development of domestic AC servo systems, breaking the long-standing monopoly of foreign brands.

General-Purpose Motion Controller Technology

Our general-purpose motion controllers benefit from advancements in computer hardware and system technologies, as well as strong support from a mature domestic software and hardware supply chain. Building on Trio's 30 years of deep expertise in motion control, we integrate optimal system solutions and fully unlock the potential of our technologies to maximize performance.

Our Robotic Technologies

Heavy-Duty Robot Dual-Drive Technology

RV reducers are high-precision gearboxes commonly used in industrial robots to reduce motor speed and increase torque, enabling smooth and accurate joint movement. They are essential components for heavy-duty robots, as they provide the high torque, precision and durability needed to handle large loads with stable and accurate motion control. Domestic robotics companies struggled with the high cost of RV reducers, and long lead times of more than six months. This dependency stifled the development of domestic heavy-duty robots and exposed manufacturers to severe supply chain risks. To break this stranglehold, we pioneered a "dual-motor & dual-reducer" architecture, replacing a single imported high-power reducer with two synchronized mid-power domestic reducers. Instead of relying on a single high-performance reducer, our innovative parallel-drive design uses two synchronized drives to achieve a 1,000kg payload through precise torque distribution and motion coordination. By adopting such an architecture, we can significantly reduce reliance on importing high-power reducers from overseas suppliers, which are often associated with high costs, extended lead times and uncertainties arising from evolving geopolitical dynamics.

Robot Functional Safety Technology

Navigating the complex landscape of international safety regulations, we became the first Chinese robotics manufacturer to achieve TÜV Rheinland certification under ISO 10218, as confirmed by Frost & Sullivan. Our system architecture meets the most demanding criteria, executing emergency stops and limiting motion-path deviations, ensuring that every unit complies with the strictest global benchmarks. This milestone has unlocked access to high-end markets in the automotive and medical sectors, where safety tolerances admit no compromise. More than a certification, it represents a strategic gateway that empowers Chinese manufacturers to export advanced robotic solutions, eliminating previous regulatory barriers.

Core Robot Controller Technology

In the "brain" of the robot, our "next-generation" controller achieves a level of performance comparable to foreign brand systems in both dynamic precision and collaborative efficiency. Built on an industrial high-level language, and an open and modular architecture, it integrates refined dynamics algorithms, vibration suppression, and flexible model calibration to boost cycle speed and positioning accuracy. A single controller can synchronize four robots at once, setting a new domestic benchmark. Already powering our full robot lineup, this controller breaks the long-standing dependence on foreign control systems and paves the way for truly home-grown, mission-critical automation.

Our Digital Platform Technologies

To break through the efficiency bottlenecks of traditional industrial maintenance and unlock the full value of equipment data, we have built a dual-track service model centered on our E-Noesis and E-Care platforms. While the performance of our industrial robots does not depend on connection to these platforms, access to E-Noesis and E-Care platforms enables both our engineers and those of our customers to monitor robot status, diagnose issues, and respond to alarms in real time through a cloud-based interface. Customers may choose to purchase these platform services as an optional add-on at the time of robot purchase. Once selected, the service fees are bundled together with the sales price of robots as a package.

E-Noesis Platform

E-Noesis platform is our digital cloud platform. As our intelligence hub, E-Noesis platform harnesses big data and digital-twin technology to manage robots throughout their lifecycle. By unifying operational metrics, process parameters and digital information, it dissolves shop-floor data silos. Interactive dashboards surface equipment utilization rate, energy consumption and other key indicators, guiding production scheduling and strategic planning with actionable insights. Deep integration between operational technology and information technology drives the leap from basic automation to full digitization, while embedded AI tools for solution selection, programming assistance and a growing process library lower the learning curve and foster smooth collaboration with simulation and maintenance systems. Built on a modern cloud-based architecture, E-Noesis platform is designed to support a broad user base, including end users, distributors, and technical personnel. This platform brings together key capabilities such as IoT-enabled robot monitoring, workstation-level manufacturing execution, a process knowledge base, and AI-driven tools for accessing product information and assisting with robot programming — delivering end-to-end digital lifecycle management for industrial robots.

For operations and maintenance, E-Noesis platform offers a full suite of advanced features, including real-time health monitoring, fault diagnostics, remote servicing, log management, data acquisition, and over-the-air (OTA) updates. These tools enable users to monitor robot performance in real time and efficiently address issues as they arise, supporting everything from routine checks to complex troubleshooting.

Case study: welding workshop operations with E-Noesis platform

Even with traditional information systems, production often faces delayed anomaly detection, long downtime, high material waste, and fragmented data that limits decision-making. Monitoring relies on manual inspections, fault resolution is slow, and workshop operations require on-site checks. By implementing E-Noesis platform, customers can monitor robot performance and production line efficiency in real time, optimize scheduling, and precisely track material consumption. Real-time alerts and trend analysis enable early detection of potential equipment issues, supporting preventive maintenance and reducing unplanned downtime. Digital twin technology provides full workshop visibility remotely, while historical and real-time data generates measurable performance indicators, supporting lean production and continuous improvement.

As of the Latest Practicable Date, 11,446 of our industrial robots interfaced with our E-Noesis platform.

E-Care Platform

E-Care platform is our remote maintenance platform that combines IoT connectivity and cloud computing to deliver end-to-end remote support across a machine’s entire lifecycle. Engineers can diagnose alarms in real time, perform deep log analysis, troubleshoot faults remotely, and access equipment without on-site inspection. Integrated over-the-air updates and continuous sensor monitoring dramatically shorten response times. In practice, E-Care platform has boosted fault-resolution efficiency by 60% and cut unplanned downtime losses by over 30%, fundamentally overturning the high-cost, on-site service model.

Together, the E-Noesis platform and E-Care platform not only address the urgent need for faster and more efficient maintenance but also transform data into strategic assets, delivering threefold value for our customers: enhanced productivity, optimized costs, and elevated operational management.

Our AI Technologies

Our Architecture for Robotics-based AI

We have designed a control system architecture to ensure robots can integrate with AI technologies smoothly. The architecture is built on a distributed framework, which means it can be deployed in different ways depending on customer needs, whether on local servers, at the edge of the network for low-latency control, or in the cloud for large-scale AI model training. This flexibility gives customers control over both performance and data security.

At the core of this system is a virtual controller engine, which allows engineers to simulate robot behavior in a digital environment before moving to the physical machine. Paired with AI-driven parameter tuning, customers can run visual simulations, train AI models, and adjust robot settings virtually. This significantly reduces the need for time-consuming and costly trial-and-error debugging on the factory floor, while also enabling faster iteration and deployment.

AI Combined with Robotics

AI technologies are deeply embedded in our industrial robots. By integrating large language models, multimodal sensors, machine vision, voice recognition, and advanced learning algorithms, our robots can do more than follow pre-set instructions. They can recognize different environments, adapt their behavior, and continuously improve their performance through learning.

For example, a robot equipped with machine vision and reinforcement learning can learn to handle parts of varying sizes and shapes without human intervention. Voice interaction allows operators to give quick instructions without programming, while multimodal sensing enables the robot to understand its surroundings through sight, sound, and touch. Together, these features make robots more intelligent, easier to operate, and capable of performing complex tasks that involve multiple variables and steps, such as assembling irregular components or adjusting to real-time changes in a production line.

Expanding Industrial Applications

As we already have a large installed base of robots in the market, we’ve accumulated a wealth of operational data and real-world case experience. This forms the backbone of our industrial knowledge graph, a structured system that connects process data, AI-driven operations, programming know-how, and tuning experience. By leveraging this knowledge graph, our robots can handle new applications more effectively and customers can benefit from best practices that have been proven across industries.

To further simplify usage of our industrial robots, we have developed a vision-based, teaching-free intelligent system. This system eliminates the need for step-by-step manual programming. Instead, robots use computer vision to understand tasks and AI to learn the right actions in real time. Combined with no-code programming tools, reinforcement learning, and large-scale vertical AI models, this makes robots suitable for highly flexible and challenging tasks — such as welding irregular joints, grinding parts of varying shapes, or assembling small-batch customized products.

These innovations open the door to wider adoption of robotics in industries where automation was previously too difficult or costly to implement. Looking forward, our robotics-based AI technologies will continue to drive the shift from traditional automation to intelligent automation, enabling faster, smarter, and more scalable deployment across manufacturing and beyond.

RESEARCH AND DEVELOPMENT

R&D Resources

We are committed to building a world-class R&D team that supports our long-term growth and technological leadership. Centered in Nanjing, our R&D operations integrate global resources from Germany, the United Kingdom, the United States and other innovation hubs. As of September 30, 2025, we had a total of 1,029 R&D personnel, bring together a balanced mix of experience, enthusiasm and creativity.

Our in-house R&D team is led by our Product Competitiveness Center (產品競爭力中心), which oversees three core divisions: the Institute of Technology (技術研究院), the R&D Center (研發中心), and Individual Product Lines (產品線). The Institute of Technology is responsible for our mid-to-long-term technology roadmap and the forward-looking advancement of our core capabilities. The R&D Center focuses on short-to-mid-term technology planning and execution, ensuring continuous enhancements to product competitiveness. Our Individual Product Line teams are tasked with product-level innovation and development, particularly in the fields of industrial robotics, motion control and sheet metal fabrication, aligning closely with market demand and operational implementation.

Beyond internal efforts, we actively collaborate with leading academic institutions and research organizations, both in China and abroad, to stay at the forefront of technological advancement. These partnerships not only enhance our access to cutting-edge knowledge but also expand the scope and depth of our innovation ecosystem. We usually collaborate with these institutions on a project basis. The key terms of our R&D collaboration agreements typically include:

- *Term*. The term of the R&D collaboration agreements typically ranges from a few months to 25 months, depending on the nature of R&D activities involved.

- *Payment*. We generally make payments in installments based on the achievement of specific R&D milestones.

- *Intellectual Property*. In most cases, we and our partners jointly own the intellectual properties developed through collaborations. However, we typically retain the exclusive right to commercialize such intellectual property and are not obligated to share profits or pay fees to our partners. For certain R&D outcomes that are considered critical and commercially significant, we specify in the agreements that we hold exclusive ownership of the relevant intellectual property rights.

- *Confidentiality*. Both parties are obligated to maintain the confidentiality of information related to the outsourced R&D activities.

We continue to invest substantial capital in R&D and innovation. Our research and development expenses were RMB307.6 million, RMB388.5 million, RMB442.2 million, RMB306.6 million and RMB318.5 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively, and our investment in R&D activities which was capitalized amounted to RMB94.0 million, RMB115.6 million, RMB60.7 million, RMB43.0 million and RMB35.7 million for the same periods. Our total R&D expenditure (including both expenses and capitalized investment) accounted for approximately 10.3%, 10.8%, 12.5%, 10.4% and 9.3% of our total revenue in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively.

R&D Philosophy and Process

We pursue an innovation-led R&D strategy focused on independent development, supported by selective external collaboration. Guided by the principle of "core technology independence" and "application-driven innovation," we emphasize both technological depth and industry relevance.

Our development process follows a streamlined and platform-based approach built on the Integrated Product Development (IPD) methodology. This process consists of six stages, namely initiation, concept, planning, development, validation, and release, designed to ensure alignment across departments from idea to market. In early phases, cross-functional teams jointly assess product feasibility, supply chain risks, and manufacturing requirements. As development progresses, we refine product specifications, build and test prototypes, and incorporate supplier and production feedback in real time. Final stages focus on scaling up for mass production, verifying quality and consistency and continuously improving the product based on market feedback. This end-to-end process, supported by collaborative mechanisms and digital tools, enables us to manage complexity, reduce time-to-market, and maintain high standards in quality and innovation.

R&D Accomplishments and Roadmap

Our R&D capabilities have been widely recognized by both government authorities and industry associations. Notably, we were awarded the *First Prize for Scientific and Technological Progress by the Chinese Association of Automation* (中國自動化學會科技進步獎一等獎) in 2023. We also received the *Second Prize for Industrial Technological Progress*

(機械工業科技進步獎二等獎) from the China Machinery Industry Federation and the Chinese Mechanical Engineering Society in both 2022 and 2023. In addition, we have received multiple awards from provincial governments in China in recognition of our achievements in science and technology, reflecting the broad recognition of our innovation capacity. During the Track Record Period, we led or participated in four projects supervised by MIIT, three projects supervised by MOST and one project supervised by NDRC. In addition, over the years, we have built a portfolio of intellectual property rights and core technologies, which serve as strong technical moats and lay a solid foundation for the Company's long-term competitiveness. See "— Core Technologies" and "— Intellectual Property" and for details.

Looking ahead, we intend to focus our R&D efforts on high-speed and high-precision motion control, intelligent robotics algorithms and the development of industry-specific software kits. We will also continue to advance the application of industrial robots and motion control technologies in high-growth downstream sectors such as new energy vehicles (NEV) and semiconductors. For example, continuous stamping of large outer panels in NEV production requires extreme precision from industrial robots to effectively manage material deformation and prevent surface defects. In semiconductor manufacturing, wafer handling demands nanometer-level vibration suppression and ultra-clean environments, placing stringent requirements on automation and control systems. We believe these technical challenges, coupled with increasing domestic substitution trends, present a unique opportunity for us to deepen our technological leadership.

INTELLECTUAL PROPERTY

We regard our intellectual property, spanning patents, software copyrights, trademarks, trade secrets and proprietary technologies, as a core strategic asset and a key driver of our long-term competitiveness. Our ability to innovate, differentiate our offerings, and sustain business growth relies heavily on effectively securing, managing, and enforcing our intellectual property rights. We are recognized as a *National Key Enterprise for Intellectual Property Strength* (國家級知識產權優勢企業) by China National Intellectual Property Administration, in acknowledgment of our intellectual property capabilities and systematic IP management.

As of the Latest Practicable Date, we had (i) 619 registered patents; (ii) 80 registered trademarks; (iii) 25 registered domain names; and (iv) 469 registered copyrights in China. We also register and manage key intellectual property rights in overseas jurisdictions in order to safeguard our rights and support overseas business activities.

We attach great importance to the protection and management of our intellectual property, which is critical to maintaining our technological edge and business competitiveness. In addition to relying on relevant laws and regulations, we have established a comprehensive internal intellectual property protection framework to mitigate risks of unauthorized use and infringement by third parties:

- **Robust Internal Safeguards**. We have established a comprehensive set of internal measures designed to protect our proprietary information. These include codes of conduct for employees, tiered access permissions, clearly defined user roles and stringent control over third-party system entry.

- **Employee Responsibility Framework**. All team members are required to sign legally binding agreements that uphold confidentiality, intellectual property integrity and post-employment restrictions. These obligations are emphasized through ongoing education and awareness programs, ensuring employees remain vigilant in protecting sensitive company assets.

- **Binding Third-Party Agreements**. Our contracts with external stakeholders, including customers, suppliers, and partners, clearly articulates confidentiality obligations, defined ownership of intellectual property rights, and enforceable remedies for breaches, fostering mutual trust and legal clarity.

- **Strategic IP Portfolio Management.** We actively invest in securing intellectual property rights for our key innovations. By aligning legal and technical teams, we ensure timely and targeted patent applications across jurisdictions. This forward-looking approach strengthens our global IP footprint, deters infringement, and amplifies the commercial value of our proprietary technologies.

Despite our precautions, however, third parties may obtain and use our intellectual property without our consent. See "Risk Factors — Risks Relating to Our Industry and Business — We may not be able to adequately protect our intellectual property rights or prevent third-party infringements, which could adversely affect our business, competitiveness and financial condition." During the Track Record Period and up until the Latest Practicable Date, we were not involved in any legal proceedings in relation to infringement of any intellectual property rights which would have any material adverse impacts on our business, financial condition and results of operations.

MANUFACTURING

We have established a robust and scalable production system designed to ensure full control over key components and maintain operational independence. By integrating advanced supply chain management practices across quality, delivery, cost and logistics, we consistently deliver high-quality products with speed and cost-efficiency. Depending on product delivery requirements, we adopt a hybrid production strategy combining make-to-order and make-to-stock models to ensure timely fulfillment and operational flexibility.

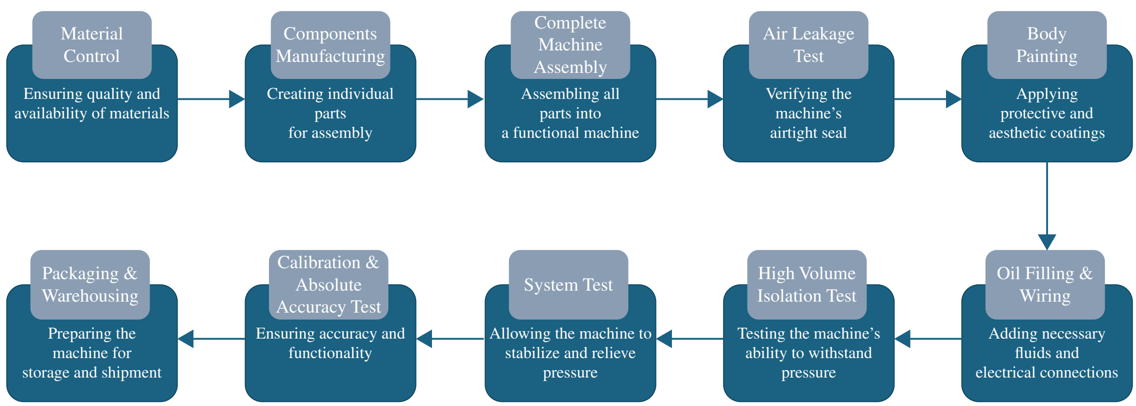
Manufacturing Process

Our production process primarily includes the production of (i) standardized products, comprising industrial robots, motors and other electronic devices, and (ii) customized products, referring to our intelligent manufacturing systems.

Standardized Products

Industrial robots

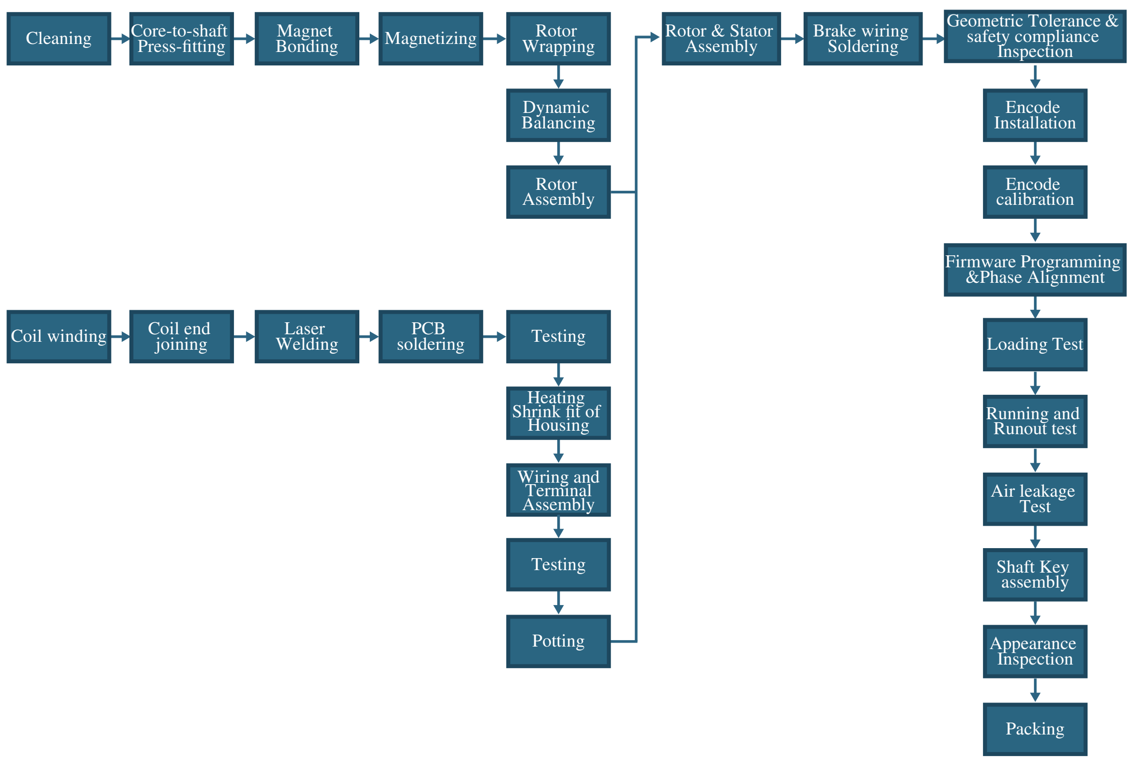
The production of industrial robots involves a complex and highly coordinated sequence of steps to ensure quality, functionality, and durability. The diagram below outlines the full manufacturing workflow, from raw material inspection to final packaging.



The process begins with careful inspection and control of materials to ensure only high-quality inputs move forward. These materials are then shaped and crafted into essential parts, which are later brought together to form a complete machine. Once assembled, the machine is checked for any leaks or sealing issues before receiving its outer coatings for protection and appearance. It's then fitted with fluids and wiring needed for operation. Afterward, it undergoes testing to confirm it can endure high-pressure conditions. A stabilization period follows, allowing the system to settle and safely release built-up pressure. Final adjustments and checks are made to verify performance and accuracy. At the end of this cycle, the machine is safely stored and prepared for delivery, ready to serve in its designated industrial role.

Motors

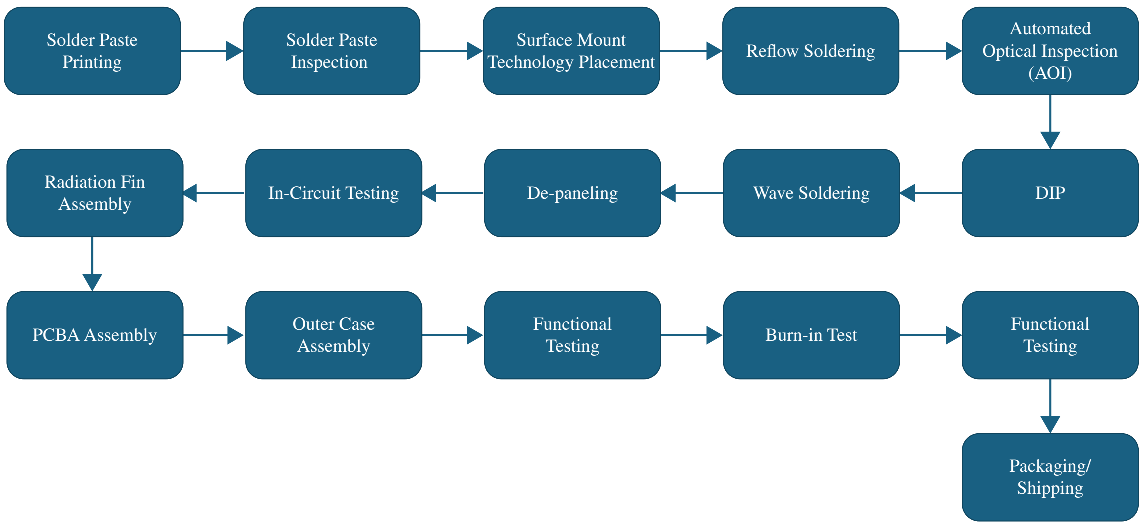
Motor manufacturing constitutes a methodical integration of precision assembly processes and multi-stage quality verification. The diagram below illustrates key steps from core component preparation covering rotor and stator fabrication, integrated assembly involving alignment and joining operations, and final validation through electrical and mechanical testing.



The motor production flow initiates with core component fabrication, where rotor processing includes ultrasonic cleaning of shaft parts, magnet attachment using structural adhesives, magnetization, surface winding for reinforcement and dynamic balancing adjustment. Simultaneously, stator manufacturing involves winding wires onto segmented iron cores with insulation placement, temporary fixturing, and seamless welding or weld-free joining. The assembly phase progresses through rotor-stator alignment via servo pressing, housing integration through thermal shrink-fitting techniques, printed circuit board (PCB) soldering for circuit formation and encoder installation with calibration. Final validation encompasses dielectric strength testing, geometric tolerance verification, runout and airtightness assessment, and protective epoxy resin potting, a process of encasing electronic components in epoxy resin to safeguard them against moisture, dust, and mechanical stress during operation. Quality monitoring for abnormal noise, electrical performance deviations, and current irregularities is systematically implemented across all stages prior to final visual inspection and packaging.

Electronic Devices

The production of electronic devices progresses systematically from component-level processing to final functional verification, ensuring reliability through embedded quality checks at critical stages. The diagram below illustrates our production process of electronic devices.



The production flow starts with solder paste application onto printed circuit boards, followed immediately by solder paste inspection to verify deposition quality. Surface-mount technology placement then positions microelectronic components onto the boards before reflow soldering thermally bonds these elements. Subsequent through-hole assembly involves dual in-line package (DIP) insertion and wave soldering for robust electrical connections. Individual boards are separated via de-paneling, then subjected to in-circuit testing to validate electrical integrity. The process advances to mechanical integration through radiation fin assembly, a process of attaching heat-dissipating fins to a component to improve cooling, and final printed circuit board assembly (PCBA) consolidation. Outer case assembly encloses the functional units, succeeded by an initial functional test to confirm baseline operation. Burn-in testing stresses the devices under sustained operational loads, followed by a secondary functional test to verify post-stress performance. Conforming units proceed to protective packaging for distribution.

Customized Intelligent Manufacturing Systems

The manufacturing process of our customized intelligent manufacturing systems consists of six main stages, which typically takes three to six months from start to finish. The key manufacturing steps for our intelligent manufacturing systems consist of mechanical design, component fabrication, on-site assembly and integration, system commissioning and validation, controlled disassembly and packaging for transport, and final installation and commissioning at the customer’s facility.

Manufacturing Facilities

Existing Manufacturing Capabilities

As of the Latest Practicable Date, we operated seven major manufacturing bases worldwide, details of which are set out below.

Name of manufacturing bases	Location of manufacturing bases	Product type	Site area	Land/ Property right
			(sq.m.)	
Jiyin Avenue Manufacturing Base . . .	Nanjing, Jiangsu Province, the PRC	Industrial robots	120,220.17	Self-owned
Shuige Road Manufacturing Base . . .	Nanjing, Jiangsu Province, the PRC	Core automation components and motion control systems	43,332.48	Self-owned
Yanhu Road Manufacturing Base	Nanjing, Jiangsu Province, the PRC	Machining of robot castings	22,946.2	Self-owned
Gaochun Manufacturing Base	Nanjing, Jiangsu Province, the PRC	Intelligent manufacturing systems	99,096.57	Self-owned
Jingmen Manufacturing Base	Jingmen, Hubei Province, the PRC	Industrial robots and intelligent manufacturing systems	105,332.9	Self-owned
Haiger Manufacturing Base	Haiger, Germany	Welding robots and welding automation systems	55,575	Self-owned
Kronach Manufacturing Base	Kronach, Germany	Intelligent manufacturing systems	13,284.16	Leased

We believe that our global and vertically integrated manufacturing layout enhances our ability to serve diverse customer needs, supports localized service delivery, and enables us to scale production in alignment with market demand.

The following table sets forth the production capacity and capacity utilization rate of our manufacturing bases for the periods indicated.

	Production capacity				Production volume				Production capacity utilization rate[1]			
	For the year ended December 31,			For the nine months ended September 30,	For the year ended December 31,			For the nine months ended September 30,	For the year ended December 31,			For the nine months ended September 30,
Business line	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
	(units in thousand)				*(units in thousand)*				*(%)*			
Industrial robots and intelligent manufacturing systems	15.8	23.9	32.5	25.7	13.9	22.8	28.7	21.2	87.6	95.3	88.3	82.8
Core automation components and motion control systems	306.9	361.7	396.5	296.8	252.3	294.2	324.5	243.0	82.2	81.3	81.9	81.8
Total	322.7	385.6	429.0	322.5	266.1	316.9	353.2	264.2	82.5	82.2	82.3	81.9

Note:

(1) Utilization rate is calculated by dividing production volume by designed production capacity, multiplied by 100%.

Future Manufacturing Capabilities

We are able to expand our manufacturing capacity as we see fit to support long-term growth. In Europe, we are building a new facility in Poland, which is expected to enhance our local manufacturing capabilities and better serve the regional market.

Location of manufacturing bases	Product type	Designed annual production capacity	Expected commissioning time	Estimated capital commitments	Source of funding
Blonie, Poland . .	Industrial robots and welding automation systems	15,000 units	June, 2026	EUR30.0 million	Internal financial resources and the proceeds from the Global Offering

We may face a number of challenges in utilizing the aforementioned manufacturing bases, which are inevitably subject to risks associated with our business operations and market conditions from time to time and may be adjusted accordingly for our best interests. See "Risk Factors — Risks Relating to Our Industry and Business — We face operational, capacity and safety risks related to our production facilities, which may adversely affect our business and results of operations."

OUR SUPPLIERS

Our Supply Chain Management

We source key components and equipment critical to our production. In 2022, 2023, 2024 and the first nine months of 2024 and 2025, our costs of raw materials and components were RMB2,180.8 million, RMB2,719.6 million, RMB2,347.7 million, RMB1,963.0 million and RMB2,279.8 million, respectively, accounting for 83.7%, 85.1%, 81.7%, 83.0% and 83.4% of cost of sales for the same periods, respectively. We procure a broad range of raw materials and components, with no single category representing a significant proportion of our total costs of raw materials and components. Our procurement primarily includes electronic control systems, reducers, motors and other electronic devices, and costs for procuring these raw materials amounted to RMB639.4 million, RMB822.5 million, RMB832.2 million, RMB622.7 million and RMB618.9 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively. Furthermore, we procure large, non-standard fabricated components for integration into our intelligent manufacturing systems to support various functionalities. To meet the diverse and specific requirements of our customers, we frequently utilize non-standard fabricated components, which are customized to enable the integration of various functionalities into our intelligent manufacturing systems. For example, in intelligent manufacturing systems supplied to customers in the new energy sector, we procure specialized dosing furnaces. These furnaces are integrated into the systems to facilitate the precise dispensing of molten materials in controlled quantities, ensuring the systems fulfill the unique production needs of this sector.

We work with a broad base of high-quality suppliers. While we have established procurement channels with certain overseas suppliers, our supplier base remains primarily concentrated in Chinese Mainland. We also source certain components from overseas. For example, we import certain electronic parts from the United States. To mitigate potential supply chain risks stemming from geopolitical tensions, we continuously assess and adapt our supply chain strategy, actively test alternative products, and accelerate the localization and domestic substitution of imported materials to enhance autonomy and ensure greater supply chain resilience. Our supplier relationships are managed through a full lifecycle approach encompassing four key stages: qualification, evaluation & rating, tiered management, and replacement. Supplier qualification follows a multi-stage vetting process. Initial sample approval must be succeeded by trial production period. Only suppliers demonstrating consistent quality and reliable delivery performance throughout this trial phase are granted formal approved status. Ongoing supplier performance is actively monitored through monthly evaluations. These assessments result in performance ratings that determine supplier tier levels. We maintain a dynamic supplier base. Those receive consistently low ratings face reduced order volumes and are systematically phased out. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant return of supplies that did not meet our requirements, nor did we suffer any significant losses or damages caused by defective supplies.

We also maintain active communications with our suppliers to avoid potential supply disruptions. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortages or delays in procuring supplies. In addition, we strategically enter into long-term collaboration agreements with major suppliers to secure their favorable pricing. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant fluctuations in the prices of our purchases which had a material adverse effect on our results of operations.

Underpinning our entire procurement strategy is a commitment to responsible sourcing. We integrate ESG factors into both our supplier qualification criteria and ongoing management processes. This commitment drives our promotion of green procurement initiatives. We actively collaborate with our suppliers to uphold shared social responsibilities, working collectively to build a sustainable and responsible supply chain ecosystem. See "— Environmental, Social and Corporate Governance" for details.

Our purchases from the five largest suppliers in each period during the Track Record Period accounted for 15.0%, 19.2%, 18.3% and 19.0% of our total purchases in 2022, 2023, 2024 and the first nine months of 2025, respectively. For the same periods, purchases from our largest supplier in each period during the Track Record Period accounted for 4.6%, 5.5%, 7.0% and 8.6% of our total purchases, respectively. All of our five largest suppliers in each period during the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers in each period during the Track Record Period.

Procurement Agreements

We typically enter into framework procurement agreements with our suppliers, stipulating general terms of cooperation, and we execute procurement through specific orders under these agreements. Below are the typically key terms of our framework procurement agreements:

- *Term*. We typically enter into agreements with our suppliers with a term of one to three years.

- *Orders*. Each order sets out the product type, price, specifications, quantity, delivery schedule, and payment terms.

- *Supply stability*. Suppliers undertake not to discontinue the production or sale of contracted products without our prior written consent. Should they intend to cease production or sales, they are required to provide at least six months' advance notice and fulfill all outstanding orders unconditionally.

- *Pricing*. Suppliers represent and warrant that the prices offered to us are no less favorable than those extended to any third parties under similar conditions.

- *Credit terms*. We are generally granted credit terms of up to four months.

- *Inspection and returns*. We conduct product inspections within a designated timeframe after delivery. We reserve the right to return the products that fail to meet agreed quality standards. In such cases, the supplier is obligated to provide appropriate remedies, including return and/or replacement.

- *Warranty and compliance*. Unless otherwise specified in an order, the warranty period is typically no less than 12 months. For imported items, suppliers must ensure full compliance with all applicable import and export control laws and regulations.

- *Termination*. The framework procurement agreements are generally terminated upon expiration of the agreed term but may be terminated earlier under certain specified conditions.

OUR CUSTOMERS

During the Track Record Period, we generated revenue primarily from the sales of industrial robots and intelligent manufacturing systems, and core automation components and motion control systems. We have built a broad customer base both in China and overseas. See "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss — Revenue — Revenue by Geographical Region" for a breakdown of our revenue by domestic and overseas market. Our customers mainly comprise (i) customers from our direct sales channel, including manufacturers in automotive, photovoltaic, lithium battery, electronics, metal processing and construction materials, and (ii) our distributors.

Our Five Largest Customers

The following tables set forth certain information of our five largest customers (on a grouped basis) in each period during the Track Record Period.

Nine months ended September 30, 2025

Customer	Major products/services provided by us	Payment method	Credit term	Revenue	As a percentage of our total revenue	Length of relationship with us
				(RMB'000)	*(%)*	
Customer A[(1)] . .	Industrial robotics products	Commercial bills	30 to 180 days	684,963	18.0	Since 2022
Customer B[(2)] . .	Intelligent manufacturing systems and industrial robotics products	Bank bills	30 to 120 days	510,377	13.4	Since 2021
Customer K[(11)]. .	Intelligent manufacturing systems	Wire transfer	60 days	90,440	2.4	More than 10 years
Customer M[(13)] .	Intelligent manufacturing systems and industrial robotics products	Wire transfer	30 to 180 days	68,124	1.8	Since 2021
Customer F . . .	Industrial robotics products and core automation components	Wire transfer and bank bills	60 to 120 days	59,900	1.6	Since 2021
				1,413,804	**37.2**	

Year Ended December 31, 2024

Customer	Major products/services provided by us	Payment method	Credit term	Revenue	As a percentage of our total revenue	Length of relationship with us
				(RMB'000)	*(%)*	
Customer A[(1)] . .	Industrial robotics products	Commercial bills	30 to 180 days	376,600	9.4	Since 2022
Customer B[(2)] . .	Intelligent manufacturing systems and industrial robotics products	Bank bills	90 - 120 days	310,524	7.7	Since 2021

Customer	Major products/services provided by us	Payment method	Credit term	Revenue	As a percentage of our total revenue	Length of relationship with us
				(RMB'000)	*(%)*	
Customer C[3]	Intelligent manufacturing systems	Wire transfer	90 days	164,103	4.1	More than 10 years
Customer D[4]	Core automation components	Wire transfer and bank bills	90 days	97,246	2.4	More than 10 years
Customer E[5]	Welding robots and solutions	Wire transfer	60 days for welding solutions 30 days for welding robots	58,376	1.5	More than 10 years
				1,006,849	**25.1**	

Year Ended December 31, 2023

Customer	Major products/services provided by us	Payment method	Credit term	Revenue	As a percentage of our total revenue	Length of relationship with us
				(RMB'000)	*(%)*	
Customer A[1]	Industrial robotics products	Commercial bills	30 to 180 days	376,122	8.1	Since 2022
Customer B[2]	Intelligent manufacturing systems and industrial robotics products	Wire transfer and bank bills	90 days	150,219	3.2	Since 2021
Customer F[6]	Industrial robotics products and core automation components	Wire transfer and bank bills	60 to 150 days	148,725	3.2	Since 2021
Customer G[7]	Industrial robotics products	Wire transfer and bank bills	120 to 180 days	120,926	2.6	Since 2017
Customer H[8]	Welding robots and solutions	Bank bills	60 days	119,309	2.6	Since 2022
				915,301	**19.7**	

Year Ended December 31, 2022

Customer	Major products/services provided by us	Payment method	Credit term	Revenue	As a percentage of our total revenue	Length of relationship with us
				(RMB'000)	*(%)*	
Customer B[(2)] . .	Intelligent manufacturing systems and industrial robotics products	Wire transfer and bank bills	45 days	213,823	5.5	Since 2021
Customer A[(1)] . .	Industrial robotics products	Commercial bills	60 days to 180 days	160,144	4.1	Since 2022
Customer I[(9)] . .	Welding robots and solutions	Wire transfer	90 days	96,284	2.5	Since 2018
Customer G[(7)] . .	Industrial robotics products	Wire transfer and bank bills	90 to 180 days	83,459	2.2	Since 2017
Customer D[(4)] . .	Core automation components	Wire transfer and bank bills	30 to 90 days	83,432	2.1	More than 10 years
				637,142	**16.4**	

Notes:

(1) Founded in 1995 and headquartered in Guangdong Province, China, Customer A primarily engaged in the manufacturing of new energy passenger vehicles with a registered capital of RMB3,039.1 million, and is a company listed on the Stock Exchange and the Shenzhen Stock Exchange.

(2) Founded in 2011 and headquartered in Fujian Province, China, Customer B primarily engaged in the manufacturing of lithium battery with a registered capital of RMB4,403.4 million, and is a company listed on the Stock Exchange and the Shenzhen Stock Exchange.

(3) Founded in 2005 and headquartered in France, Customer C primarily engaged in the design, development, production, and sales of automotive components, systems, and modules, and is a world-leading automotive parts supplier, providing components to major global automakers.

(4) Founded in 2000 and headquartered in Jiangsu Province, China, Customer D primarily engaged in the manufacturing of metal forming machine tools with a registered capital of RMB549.8 million, and is a company listed on the Shenzhen Stock Exchange.

(5) Founded in 1981 and headquartered in Germany, Customer E primarily engaged in the manufacturing of welding equipment and welding consumables.

(6) Founded in 2020 and headquartered in Jiangsu Province, China, Customer F engaged in the manufacturing of electronics process products with a registered capital of RMB10.0 million.

(7) Founded in 1993 and headquartered in Hubei Province, China, Customer G engaged in the manufacturing of automation equipment with a registered capital of RMB5.0 million and is a company listed on the Shenzhen Stock Exchange.

(8) Founded in 1997 and headquartered in Shandong Province, China, Customer H engaged in coal mining and washing with a registered capital of RMB10.0 billion, and is a company listed on the Stock Exchange and the Shanghai Stock Exchange.

(9) Founded in 2004 and headquartered in Liaoning Province, China, Customer I engaged in the manufacturing of specialized equipment with a registered capital of RMB2,918.1 million, and is a subsidiary of a company listed on the Stock Exchange.

(10) Founded in 2013 and headquartered in Romania, Customer J primarily engaged in the design and manufacturing of powertrain and electrification solutions for the automotive industry, and is a subsidiary of company listed on the NASDAQ.

(11) Founded in 1953 and headquartered in the United States, Customer K primarily engaged in the manufacturing a diverse range of electronic components, such as microswitches, automotive switches and rocker switches.

(12) Founded in 2022 and headquartered in Bulgaria, Customer L primarily engaged in precision engineering and industrial solutions for the automotive and machinery industries.

(13) Founded in 1980 and headquartered in Shanxi Province, China, Customer M primarily engaged in the design and manufacturing of heavy machinery.

In the first nine months of 2025, our revenue generated from the five largest customers accounted for 37.2% of our total revenue. The increase in customer concentration in the first nine months of 2025 was mainly due to the structure of the industrial robotics industry and market dynamics. Downstream demand is highly concentrated in capital-intensive sectors such as automotive, electronics and lithium batteries. Leading enterprises, including Customer A and Customer B, have increased capital expenditure to accelerate capacity expansion and technological upgrades, resulting in higher procurement volumes. These customers also tend to secure supply stability by working closely with leading suppliers like us, which contributed to the rise in sales concentration. In addition, competition and customer stickiness played a role. While foreign manufacturers dominate the high-end market, we have strengthened our position in the mid-range segment through competitive pricing and responsive technical support. Major customers place high value on service quality and responsiveness, requiring additional resources to maintain these relationships. Our strategy of focusing on large, financially resilient customers resulted in and may continue to drive higher customer concentration.

However, despite the increasingly higher customer concentration, we consciously monitor our customer concentration level and aim to mitigate relevant risks by (i) expanding into other industries and overseas markets to diversify our customer base and reduce reliance on any single industry or customer, (ii) upgrading our products to diversify our application scenarios, and (iii) collaborating with channel partners to reach small and medium-sized enterprises, while our global presence in regions such as Europe and Southeast Asia helps smooth regional market fluctuations.

We hold 15% equity interest in Customer F. See Note 34 to the Accountants' Report in Appendix I to this prospectus for more details. Other than the above, all of our five largest customers in each period during the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers in each period during the Track Record Period.

Our Customer Service and Product Returns

Our product delivery and customer service operations are led by our Global Delivery and Service Center (全球交付及服務中心). To support timely and localized assistance, we operate 75 service sites worldwide as of September 30, 2025, enabling us to respond efficiently to customer needs across different regions.

Our customer service is underpinned by a comprehensive service management framework that covers the entire product lifecycle, providing 24/7 technical support across the pre-sale, in-sale and post-sale stages. This framework defines the scope of services, quality standards, and response time benchmarks for each phase, ensuring consistency, traceability, and standardized service delivery. In 2024, we further enhanced our after-sales service practices by updating our internal *After-Sales Service Management Manual*, which introduced refined procedural guidelines and standardized service protocols. As part of this initiative, we developed approximately 200 detailed standard operating procedures (SOPs) to address common troubleshooting scenarios across core system areas including vision systems, servo systems, arc welding, spot welding and general applications.

We have implemented a structured and tiered complaint-handling mechanism designed to ensure timely and effective resolution. Once a customer issue is reported, it is promptly logged into our system and assigned to a technical engineer within two hours. Remote resolution is prioritized. However, if on-site support is required, we guarantee technician dispatch within 24 hours. Our service team includes junior and mid-level engineers, with issues escalated to expert-level teams when necessary. All service activities are documented in our CRM system to maintain complete traceability. Upon resolution, the service case is formally closed. We then categorize customer feedback into nine key issue types, such as operational, quality, or usage-related problems, and conduct root cause analysis through the relevant departments. These insights feed into continuous improvements across our R&D and manufacturing processes.

During the Track Record Period and up to the Latest Practicable Date, the amounts of our product returns and exchanges were insignificant. During the Track Record Period and up to the Latest Practicable Date, we did not have any material product recalls due to quality issues, nor did we experience any material complaints or product liability or other legal claims from our customers due to quality issues of the products that we sell.

Overlapping of Customers and Suppliers

Certain of our five largest customers in each period of the Track Record Period also acted as our suppliers, including:

- Customer D, as one of our five largest customers in 2022 and 2024, from which we purchased core automation components. We integrate the core automation components with our own products.

- Customer F, as one of our five largest customers in 2023 and one of our distributors, from which we purchased cabinet enclosure. We utilize these cabinet enclosure to house the automation components we produced.

- Customer M, as one of our five largest customers in the nine months ended September 30, 2025, from which we purchased hydraulic power unit. We incorporate the hydraulic power units into our own products.

The following table sets forth the breakdown of our revenue generated from and purchase amount paid to our five largest customers in each period during the Track Record Period, which were also our suppliers during the Track Record Period, for the periods indicated:

	Transaction nature		Year ended December 31						Nine months ended September 30,	
	As customer	As supplier	2022		2023		2024		2025	
			Revenue	*Purchases*	*Revenue*	*Purchases*	*Revenue*	*Purchases*	*Revenue*	*Purchases*
			RMB'000							
Customer D	Industrial robotics products	Core automation components	83,431.7	370.5	81,439.8	1,319.0	97,246.3	100.0	57,352.1	–
Customer F	Industrial robotics products	Cabinet enclosure	58,408.1	1,484.4	148,725.3	989.9	55,032.5	1,846.6	59,899.5	927.7
Customer M	Intelligent manufacturing systems and industrial robotics products	Hydraulic power unit	29,203.5	–	41,106.2	764.5	–	662.6	68,123.9	464.9
Total			**171,043.3**	**1,854.9**	**271,271.3**	**3,073.4**	**152,278.8**	**2,609.2**	**185,375.5**	**1,392.6**

In addition, four of our five largest suppliers in each period during the Track Record Period also procured robotic software and components from us, contributing revenue of RMB8.5 million, RMB44.2 thousand, RMB6.3 thousand and RMB54.8 thousand in 2022, 2023, 2024 and the first nine months of 2025, respectively.

According to Frost & Sullivan, this arrangement is common in the industrial robotic solutions market. Market participants maintain dual roles as both customers and suppliers due to the high degree of supply chain integration and technical complementarity. On one hand, industrial robotic solution providers frequently procure core automation components from their downstream customers to ensure system compatibility for complex, customized integration projects. Conversely, these customers procure industrial robotics products to enhance their own production automation. This arrangement optimizes resource allocation, reflecting the deep strategic synergy inherent in the industry's value chain.

SALES AND MARKETING

As of September 30, 2025, our global sales force stands at 763 professionals, strategically deployed across both domestic and overseas markets. This team drives our revenue engine through a balanced and proactive strategy.

Our most significant customer acquisition driver is our annual market insights initiatives. Each year, we conduct comprehensive industry and market analyses to identify future growth opportunities. For instance, we analyze industry trends and recent developments to determine which downstream sectors are likely to experience growth in the coming year and, more specifically, which companies are most likely to require our industrial robotics solutions. Based on these insights, we develop targeted business development plans and proactively engage with potential customers to promote our products and explore business opportunities. This approach enables us to enhance the efficiency and effectiveness of our customer engagement efforts. In addition, we also rely on referrals from our existing customers and actively participate in industry associations, trade shows, and technical conferences to promote our products and expand our customer base.

We are firmly committed to conducting our marketing activities responsibly and ethically. This commitment is embedded in our processes through a dedicated marketing compliance framework, clear ethical guidelines to prevent misrepresentation or unfair comparisons, rigorous review and approval of all marketing materials and regular training programs for all sales personnel on ethical standards and best practices.

We employ a dual-track sales strategy combining direct sales and a distribution network. For customers in key downstream industries with strong demand for automation and high customization requirements, we generally adopt a direct sales model to address their needs directly, thereby consolidating and expanding our market share among such customers and in major downstream industries. In addition, we leverage the long-tail effect of distributors to reach smaller-scale customers or those in lower-tier markets, which enhances the efficiency of our business development efforts. The following table sets forth a breakdown of our revenue by customer nature for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Direct sales	3,616,692	93.2	4,263,094	91.6	3,716,275	92.7	3,129,412	92.9	3,437,024	90.4
Distributor sales	264,087	6.8	388,855	8.4	292,497	7.3	240,862	7.1	366,546	9.6
Total	**3,880,779**	**100.0**	**4,651,949**	**100.0**	**4,008,772**	**100.0**	**3,370,274**	**100.0**	**3,803,570**	**100.0**

Direct Sales

Our direct sales team, working closely with our technical and process engineering departments, spearheads customer engagement for complex needs. We collaborate deeply with the client, leveraging our portfolio of modular products to craft tailored and systematic solutions. Once our technical solution gains approval, our sales team delivers a competitive commercial offer backed by robust cost control, securing the order and initiating project execution. Below is a summary of the key terms of our direct sales contracts with customers:

- *Term*. Sales contracts for our products are typically one-off transaction agreements.

- *Delivery of products*. We are responsible for delivering products to designated locations by the deadlines specified in the sales contracts.

- *Product return and repair policies*. We generally allow direct sales customers to enjoy free repair services or exchange products if the brand, model or quality does not meet the agreed specifications.

- *Payment and credit terms*. Customers are typically required to pay a significant portion of the total purchase price prior to the delivery of products. The remaining balance is settled upon product acceptance, expect that a small portion of the total purchase price is retained as warranty assurance and settled within one month upon expiration of the warranty period, which is generally one year. We may generally grant credit terms of up to six months for customers with good credit record.

- *Training*. We may be required to provide training and operational support to customers.

- *Termination*. Our customers are entitled to terminate the sales contracts if our products fail to be accepted due to issues attributable to us, such as product defects and delayed delivery.

Distributors

We cooperate with distributors to enhance our market reach and operational efficiency. Distributors are defined as entities that have resold our products at any point in time. In addition, our distributors provide a range of customer services, including pre-sale evaluation, installation and commissioning during the sale process, and after-sales maintenance and support. For product quality issues beyond routine after-sales services, end users may report directly to us. By partnering with distributors, we are able to leverage their deep knowledge of local markets, established customer networks and sales expertise, factors that are critical for achieving broader geographical penetration. This strategy allows us to scale effectively without bearing the substantial costs typically associated with building and managing a large direct sales force. According to Frost & Sullivan, this approach aligns with industry practices commonly adopted by companies focused on the R&D and commercialization of robotic technologies. While we maintain a strong direct sales capability, our distributor partnerships are particularly valuable in promoting standard automation components and control systems, enabling us to serve a wider customer base through their localized resources and relationships.

Distributor Movement

The following table sets forth the movement in the number of our distributors who had revenue contributions during the periods indicated:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
Number of distributors in the preceding period	48	62	75	102
Addition of new distributors	18	19	32	17
Decrease in number of distributors	4	6	5	16
Number of distributors in the current period	62	75	102	103

Note:

(1) The number of distributors is determined based on those who contributed revenue. Addition refers to distributors who had revenue contribution in the current period but not in the immediately proceeding period, while decrease refers to distributors who had revenue contribution in the immediately preceding period but not in the current period.

During the Track Record Period, our additions of new distributors primarily reflected our proactive efforts in expanding our distribution network. At the same time, some distributors initiated cooperation with us based on their recognition of our brand visibility and product competitiveness. As the purchases of our distributors generally reflect the changing demands from the end users, distributors who had revenue contribution in the immediately preceding period may have no revenue contribution in the following period. In addition, we may occasionally terminate distribution relationships for (i) repeated failure by distributors to meet sales targets, (ii) breaches of sales contracts by few distributors, such as non-compliance with our internal policy on distributor management, and (iii) strategic shifts by certain distributors who chose to pursue other business opportunities.

Key Terms of Our Distribution Agreements

Below is a summary of the key terms of our framework agreements with distributors:

- *Term.* The duration of distribution agreements is typically 12 months.

- *Scope of distribution.* Distributors are generally authorized to sell our products only within a designated geographic area. If they receive orders from outside their authorized territory, they are required to redirect such orders to us. Additionally, distributors must obtain our prior written consent before engaging with specific end users.

- *Sales target.* We set sales targets for our distributors and evaluate their performance on a regular basis. If a distributor fails to meet its target for two consecutive quarters, we reserve the right to either terminate the distribution agreement or adjust our sales price. We offer incentives to selected distributors who demonstrated outstanding sales performance.

- *Retail price.* We typically do not include retail prices in our distribution agreements. Distributors are obligated to maintain an orderly market for our products within their designated geographic area and are prohibited from engaging in price-based competition.

- *Exclusivity.* Distributors are restricted from selling similar products manufactured by other domestic companies.

- *Limitations on return or exchange.* We generally do not accept returns from our distributors, except in cases of quality defects or transportation damages.

- *Warranty.* We typically provide a warranty period of 15 months.

- *Payment and credit terms.* We typically require our distributors to settle the substantial portion of the total order value prior to product delivery. The remaining balance is typically due and payable following their acceptance of our products.

- *Termination.* We are entitled to terminate the distribution agreements if our distributors breach the distribution agreements or our management policy over distributors.

Our Management of Distributors

We cooperate with our distributors based on a straightforward buyer-seller model. Even so, while the distributor model helps us improve sales efficiency and expand market coverage, we do not rely solely on distributors to engage with end users. We maintain visibility of all end-user information, and our sales team maintains direct and open communication channels with these customers to ensure that their needs, feedback, or complaints are effectively conveyed to us. Our distributors are not allowed to engage sub-distributors without our prior written consent. During the Track Record Period and up to the Latest Practicable Date, we did not have any sub-distributors.

We select our distributors based several factors, including business experience, customer base, team composition and market development capabilities. Annual performance targets are then established, and distributors are classified into different tiers accordingly. Each tier corresponds to differentiated levels of marketing support, incentive programs and technical assistance. Throughout the term of the distribution agreement, a distributor's tier may be adjusted, either upward or downward, based on their actual performance.

We monitor our distributors' inventory levels through on-site visits and regular communication with them to ensure they are well-positioned to meet customer demand promptly, while keeping the risk of channel stuffing low. Given the nature of industrial robots and our other products, which are highly specialized and technology-driven rather than mass-market consumer goods, sales are primarily order-based rather than volume-driven. This significantly reduces the likelihood of excess inventory accumulation across our distribution network. Furthermore, we generally do not accept product returns from distributors except in cases involving quality issues identified before product acceptance. This policy encourages distributors to place orders based on realistic sales forecasts rather than speculative or inflated volumes.

In addition, we implement a series of strict measures to manage cannibalization risks, including: (i) requiring distributors to operate strictly within their designated geographic areas or authorized sales channels. They are prohibited from making quotations or sales to customers outside their assigned scope without our prior approval, and may not appoint sub-distributors or engage in cross-channel sales without our written consent; (ii) obligating distributors to comply with our market conduct policies, including refraining from engaging in price-based competition that disrupts market order; and (iii) imposing penalties for violations of our management policies, which may include warnings, price adjustments, revocation of credit terms or distribution rights, and, if necessary, termination of the partnership.

To the best of our knowledge, as of the Latest Practicable Date, except for (i) Nanjing Yuanshi Control System Co., Ltd. (南京源石控制系統有限公司) ("**Nanjing Yuanshi**"), in which we held 15% equity interest, (ii) Shenzhen Meisitoo Technology Co., Ltd. (深圳市美斯圖科技有限公司), in which we held 16.67% equity interest, and (iii) ROBCON TM.S.R.L, in which we held 40.11% equity interest, all of our distributors were independent third parties and none of our distributors were controlled by our former or current employees. Nanjing Yuanshi is Customer F, one of our five largest customers in 2023 and for the first nine months of 2025. See "— Our Customers — Our Five Largest Customers" for details.

QUALITY CONTROL

We are recognized by MIIT as a *Designated Compliant Enterprise in the Industrial Robots Sector* (工業機器人行業規範企業). Furthermore, in 2024, we were awarded the *Jiangsu Province AAA Quality Credit Rating* (江蘇省質量信用AAA 級企業) by the local counterparts of SAMR and NDRC in Jiangsu Province, and successfully renewed our ISO 9001:2015 Quality Management System certification. Our comprehensive quality control system spans the entire product lifecycle, addressing product quality, process quality, and personnel competency across five key stages: development, raw material selection, manufacturing, sales and service and non-conformance management.

During development, we follow the IPD process, identifying and mitigating quality risks from initial planning and conducting rigorous technical reviews at key milestones with cross-functional experts. For raw materials, we execute refined internal procedures for supplier quality management, including quality improvement programs and updated agreements requiring suppliers to ensure dimensional and performance compliance for critical components prior to delivery. In manufacturing, we manage quality holistically by identifying critical control points across personnel, equipment, materials, methods, environment, and measurement systems; we conduct regular process audits and have increased inspection checkpoints to detect issues earlier and ensure thorough corrective action. Our responsive customer service framework handles complaints through immediate investigation, root cause analysis, and coordinated cross-departmental corrective measures. Concurrently, we strengthened non-conformance management by updating protocols and implementing a "quality alert" mechanism to prevent the use or transfer of defective or suspect items.

To further enhance quality control, we leverage integrated digital systems across key stages. Raw material inspection plans and results are recorded in our SAP system, providing real-time metrics such as parts per million (PPM) and batch pass rates, while supplier performance is managed via our Supplier Relationship Management (SRM) system. In production, our Manufacturing Execution System (MES) enables traceability of key materials, real-time process monitoring, automatic data capture, and anomaly visualization, directly supporting our zero-defect philosophy. For customer service, our Customer Relationship Management (CRM) system ensures end-to-end tracking of feedback, enhancing both responsiveness and improvement efficiency. Collectively, these digital tools provide effective quality oversight and drive continuous improvement throughout our operations.

PRICING

We determine the pricing of our products primarily based on prevailing market conditions. We generally adopt a market-based pricing strategy while taking into account factors such as historical transaction terms, customer expectations, and competitive dynamics. As a leading domestic brand in the robotics industry, we maintain a certain level of pricing power, particularly in product categories where we hold technological or market advantages. For major customers with substantial procurement volumes or long-term relationships, we may adjust pricing strategies on a case-by-case basis to reflect business history, anticipated order size, or specific commercial negotiations.

During the Track Record Period, we implemented a penetration pricing strategy under which our sales personnel, within predefined approval limits, could grant tier-based discounts to our list prices to accelerate market entry and strengthen customer retention. While this policy temporarily reduced our average selling prices and put pressure on gross margin, we drove volume growth through scale and executed cost-reduction initiatives, including supply chain optimization, increased localization of raw materials, and lean manufacturing. As a result, the adverse impact of price reductions was largely offset.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We have established a proprietary warehousing system supported by our self-developed Warehouse Management System (WMS). Comprehensive procedures govern the entire process, from material receipt and inventory storage to manufacturing returns and finished product delivery, ensuring standardization at every stage. These protocols are regularly reviewed, updated and disseminated company-wide via internal platforms. Staff training enforces strict compliance, including standardized procedures for anomaly inspection, handling and reporting. Additionally, we partner with qualified logistics providers to guarantee safe, punctual, and reliable product distribution.

Our inventory management system enables precise tracking of material storage locations, enhancing operational efficiency and enabling full traceability. Each step, from material receipt to final delivery, undergoes meticulous verification. We conduct regular cycle counts and annual comprehensive stock takes to maintain inventory accuracy and transparency. Slow-moving inventory is proactively analyzed with timely mitigation plans developed. Dedicated personnel with clearly segregated duties perform periodic reconciliations between physical stock and system records. This framework of checks and balances effectively mitigates risks of theft, misappropriation, damage, or significant loss, ensuring no material weaknesses exist in our production and warehousing controls. As of December 31, 2022, 2023 and 2024 and September 30, 2025, our inventories amounted to RMB1,130.5 million, RMB1,340.2 million, RMB1,721.0 million and RMB1,446.2 million, respectively. See "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Positions — Inventories."

PROPERTY

We own and lease certain properties primarily to be used as manufacturing bases, warehouses and offices. As of September 30, 2025, we did not have any assets with a carrying amount that equaled or exceeded 15% of our consolidated total assets as of that same date.

Owned Land and Properties

As of the Latest Practicable Date, we had rights to use seven parcels of land in China with a GFA of approximately 424,238.46 sq.m. in aggregate. As of the Latest Practicable Date, our rights to use such construction land were lawful and valid, and there were no disputes or potential disputes over the ownership of such land. We primarily utilize these parcels of land for the construction of our manufacturing bases, premises for R&D activities and office buildings.

As of the Latest Practicable Date, we owned eight properties in China with a GFA of approximately 180,634.96 sq.m. in aggregate. We have obtained title certificates for these properties. As confirmed by our PRC Legal Advisors, we legally and validly own the aforementioned properties, with no existing or potential ownership disputes. We also owned one property in the U.S. with a GFA of approximately 15,434 square feet.

Leased Properties

As of the Latest Practicable Date, we leased 88 properties with a GFA of approximately 11,486.09 sq.m. in China, which had been used mainly as office and staff dormitory. The lease agreements for these properties had not been registered with the relevant PRC authorities, primarily because landlords failed to cooperate to complete the lease registration. Given there are sufficient alternative premises in the market if we need to relocate, our Directors are of the view that such defects did not have any factual impact and would not have any potential impact on our ability to use such properties. As advised by our PRC Legal Advisors, failure to register an executed lease agreement will not affect its legality, validity or enforceability. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. We estimate that the penalties we may be subject to for these unregistered lease agreements will be immaterial. Therefore, we believe that the failure to register these lease agreements will not have any material adverse impact on our financial condition or results of operations. We will actively liaise with the respective lessors to complete the registration of all such lease agreements, if possible. See "Risk Factors — Risks Relating to Our Operations — Failure to comply with PRC property-related laws and regulations regarding certain of our leased properties may adversely affect our business, financial condition and results of operations." As of the Latest Practicable Date, our Company and our major subsidiaries also leased three properties in Germany and Turkey, which had been used mainly as manufacturing bases and office buildings.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may, from time to time, be subject to legal proceedings, disputes and claims that arise in the ordinary course of business, which primarily include contractual disputes and employment matters. As of the Latest Practicable Date, we were not a party to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by the government authorities or third parties which would materially and adversely affect our business. Our Directors are not involved in any actual or threatened material claims or litigation.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we were not imposed any material administrative penalties. We did not experience any material or systemic non-compliance incidents, which, taken as a whole, are likely to have a material and adverse effect on our business, financial condition or results of operations.

COMPETITION

From 2020 to 2024, the market size of the global industrial robotic solutions market increased from USD14.7 billion to USD25.4 billion at a CAGR of 14.6%, according to Frost & Sullivan. Projections indicate substantial expansion, reaching USD51.8 billion by 2029, reflecting a CAGR of 15.4% between 2024 and 2029, according to the same source. According to Frost & Sullivan, the global industrial robotic solutions market is intensely competitive and relatively fragmented. As of December 31, 2024, there were over 3,000 industrial robotic solution providers worldwide, with the top 10 players collectively accounting for 34.2% of the market share in terms of revenue. Within this highly competitive landscape, we ranked sixth among all manufacturers globally in terms of revenue in 2024. In the global industrial robotic solutions market, international solution providers continue to benefit from strong brand recognition, primarily due to their first-mover advantages in the development of industrial robots and core automation components. However, domestic companies are increasingly playing a pivotal role. Leveraging technical breakthroughs and cost efficiencies, domestic industrial robot manufacturers are now capable of addressing the full spectrum of market demand, steadily challenging and, in some cases, displacing the long-standing dominance of foreign brands. See "Industry Overview" for details.

INFORMATION SECURITY AND DATA PRIVACY

There has been regulatory development in relation to cybersecurity and data privacy and protection in recent years. On June 10, 2021, the *PRC Data Security Law* (《中華人民共和國數據安全法》) was adopted by the Standing Committee of the National People's Congress (全國人民代表大會常務委員會) and became effective on September 1, 2021. On August 20, 2021, the *PRC Personal Information Protection Law* (《中華人民共和國個人信息保護法》) (the "**PIPL**") was adopted by the Standing Committee of the National People's Congress and became effective on November 1, 2021. On December 28, 2021, the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室) (the "**CAC**"), together with certain other PRC government authorities, promulgated the revised *Measures for Cybersecurity Review* (《網絡安全審查辦法》), which became effective on February 15, 2022. See "Regulatory Overview — Laws and Regulations Relating to Information Security and Data Protection."

We have designed and implemented comprehensive internal policies on protecting data privacy and security to ensure data and information security, and ensure compliance with all applicable PRC laws and regulations. Our internal control measures mainly include: (i) establishing detailed rules governing the management of data, electronic files, and computer equipment, (ii) assigning system access to employees based on the individual's job responsibilities. Any addition, removal, or change of access must be reviewed and approved by both the requesting department and the IT department, (iii) tracking employee operations through designated software, with particular focus on employees who handle sensitive data, and (iv) entering contracts which include explicit data protection clauses with our suppliers to ensure that third parties comply with our data security requirements. As advised by our PRC Legal Advisors, during the Track Record Period: (i) we have not obtained, collected, stored, and/or own any personal data except the necessary data collected from our employees during our operations; (ii) we have obtained information regarding our corporate customers, such as their name, address and contact details, and operational data in relation to our products, subject to our customers' specific authorization. We gathered such operational data through E-Noesis platform and stored them in cloud-based storage systems; (iii) we have complied with all the applicable laws and regulations in relation to information security and data privacy. Our operations do not involve cross-border data transfer. However, as the laws and regulations in the data security, cybersecurity and privacy protection are still developing, we cannot assure you that we can always timely adapt to all the aspects of such laws and regulations. See "Risk Factors — Risks Relating to Doing Business in the Jurisdictions where We Operate — Our business is subject to a variety of laws, rules, policies and other obligations regarding data protection domestically and aboard. Any losses or unauthorized access to or unauthorized releases of confidential information and personal data could subject us to significant reputational, financial, legal and operational consequences."

AWARDS AND ACHIEVEMENTS

The following table sets out some awards that we received and certain achievements we made:

Name of Award and achievements	Awarding Entity	Year
Advanced Collectives of the National Industrial and Information Technology System (全國工業和信息化系統先進集體)	Ministry of Human Resources and Social Security and MIIT (人力資源和社會保障部及工業和信息化部)	2025
700kg ultra-heavy-duty industrial robot included in the *Catalog of Nationally Recognized First-of-its-Kind Innovative Products* (首台(套)重大技術裝備推廣應用指導目錄(2024年版))	MIIT	2024
Designated Compliant Enterprise in the Industrial Robots Sector (工業機器人行業規範企業)	MIIT	2024
Selection and Cultivation List of Top Enterprises in the Robotics Industry (機器人行業TOP企業遴選培育名單)	China Machinery Industry Federation (中國機械工業聯合會)	2024
Champion Enterprise in a Niche Manufacturing Sector (製造業單項冠軍企業)	MIIT	2024

Name of Award and achievements	Awarding Entity	Year
High and New Technology Enterprise (高新技術企業)	Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Taxation Bureau (江蘇省科學技術廳、江蘇省財政廳、江蘇省稅務局)	2023
First Prize for Scientific and Technological Progress by the Chinese Association of Automation (中國自動化學會科技進步獎一等獎)	Chinese Association of Automation (中國自動化學會)	2023
National Smart Manufacturing Demonstration Factory (國家智能製造示範工廠)	MIIT	2023
Second Prize for Industrial Technological Progress (機械工業科技進步獎二等獎)	China Machinery Industry Federation and the Chinese Mechanical Engineering Society (中國機械工業聯合會、中國機械工程學會)	2022 and 2023
National "Specialized, Refined, Differential and Innovative" Little Giant Enterprise (國家級「專精特新」小巨人企業)	MIIT	2022
National Key Enterprise for Intellectual Property Strength (國家級知識產權優勢企業)	National Intellectual Property Administration (國家知識產權局)	2019
Nationally Recognized Green Manufacturing Factory (國家級綠色製造工廠)	MIIT	2019
Sino-German Smart Manufacturing Factory (中德智能製造工廠)	MIIT	2017

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (THE "ESG")

ESG Management Framework

We are committed to environmental protection and promoting corporate social responsibility and enhancing corporate governance for sustainable development.

We have built a layered governance structure in relation to our ESG matters. Our Board is the highest decision-making authority in reviewing and approving our ESG targets, internal manuals, annual reports. Our ESG committee under the Board regularly reviews the overall ESG performance, ensuring a comprehensive assessment of our Company's adherence to sustainable practices. In collaboration with our management, our ESG committee evaluates our Company's ESG performance by referencing industry leaders and peers of comparable sizes, providing a benchmark for continuous improvement. Furthermore, our ESG committee reports the annual ESG report to our Board, highlighting key insights and recommendations. Additionally, our ESG management team closely monitor the cooperation between different business divisions, ensuring that operations and practices align with relevant ESG visions, approaches, strategies, and initiatives. To foster effective communication, we supervise the establishment of communication methods among divisions to facilitate the exchange of ESG-related issues. Moreover, our ESG working group, comprising staff from key positions, are responsible for implementing ESG policies and monitoring our ESG metrics during daily operations. Through this layered governance structure and various communication channels, including Board meetings, special reports, and other relevant means, our Board receives regular updates on our Company's ESG performance, vision, and strategies. We hold regular meetings to ensure our Board's awareness of ESG developments. Our Board takes a role in monitoring and tracking the plans, budgets, and expenditures related to ESG measures and initiatives.

In 2022, 2023 and 2024, and the nine months ended September 30, 2025, our expenses of compliance with the applicable environmental protection laws and regulations, including our investments to enhance environmental compliance and occupational health and safety, was approximately RMB1.5 million, RMB0.4 million, RMB0.4 million and RMB1.3 million, respectively.

Material ESG Topics

Material ESG topics serve as key focal points for the management of our sustainable development. Following stakeholder engagement principles, we regularly conduct importance assessments by consulting both internal and external stakeholders to determine our material topic matrix.

Environment

Climate Change

We plan to achieve carbon neutrality in our core operations by 2050. We incorporate the results of our assessment of climate-related risks and opportunities into the implementation of both mitigation and adaptation strategies, integrating climate-related risks into our future strategic development planning. By improving energy efficiency, increasing the use of renewable energy, and promoting low-carbon products and solutions, we are accelerating our progress toward achieving the "dual carbon" goals.

We remain focused on the research and development of low-carbon technologies and products, positioning businesses that support the new energy industry, industrial automation, and energy efficiency enhancement as key strategic priorities. At the same time, we closely monitor emerging fields and new demands arising from the transition to a low-carbon economy, in order to meet growing market needs and actively seize opportunities in clean technologies.

The following table sets forth a breakdown of our greenhouse gas emissions during the Track Record Period.

		Year ended December 31,			Nine months ended September 30,
	Unit	**2022**	**2023**	**2024**	**2025**
Direct emissions (Scope 1)	tCO_2e	875.33	842.00	882.05	632.96
Indirect emissions (Scope 2)	tCO_2e	7,712.43	8,721.85	8,994.82	6,547.29
Total GHG emissions	**tCO_2e**	**8,587.76**	**9,563.85**	**9,876.87**	**7,180.25**

During the Track Record Period, our greenhouse gas emissions increased primarily in line with our business expansion. However, our direct emissions were higher in 2022 than in 2023, primarily because our manufacturing processes consumed more natural gas in 2022. Following process refinements and energy-efficiency measures, our natural gas consumption and related emissions decreased in 2023.

Energy Management

We have established a comprehensive energy management system certified to the ISO 50001 standard. This system encompasses all energy management activities related to the design, development, and production of our core products, including AC servo drive systems, permanent magnet AC servo motors and electro-hydraulic servo systems. It also covers the machining of industrial robot components, the assembly of industrial robot units and the production of electrical control cabinets for machinery. To actively monitor and optimize energy usage, we employ smart meters to track and analyze electricity consumption across all production stages. Furthermore, we have implemented an intelligent energy monitoring and management platform. This centralized digital system enables systematic oversight of energy consumption, strengthens the balanced allocation and optimized scheduling of energy resources, enhances overall energy management efficiency, and ultimately reduces our comprehensive energy consumption.

Waste Management

We have established internal management policies for wastewater, air emissions, solid waste and other types of waste generated during production operations. Our wastewater discharges mainly consist of industrial wastewater and domestic sewage, which are treated to meet discharge standards through on-site wastewater treatment facilities and municipal wastewater plants. Our air emissions are treated through air pollution control facilities to meet emission standards before discharge. For general industrial solid waste and hazardous waste, we engage qualified disposal agencies for harmless disposal or comprehensive utilization, or after classification and collection, commission downstream suppliers for harmless disposal or comprehensive utilization.

The table below sets forth our energy consumption and emissions during the periods indicated:

		Year ended December 31,			Nine months ended September 30,
	Unit	2022	2023	2024	2025
Total exhaust discharge	cubic meters	294,632,000	260,137,100	206,422,800	156,245,820
Total amount of hazardous waste . .	ton	85.38	97.44	136.46	90.988
Total wastewater generated	ton	64,368	92,408	96,461	65,654

During the Track Record Period, the total volume of hazardous waste and wastewater generated increased primarily in line with our business expansion. By contrast, our exhaust discharge declined during the Track Record Period, reflecting the deployment of intelligent monitoring systems and the implementation of production process improvements.

Social Responsibility

Supply Chain management

We continually reinforce our sustainable supply chain management capabilities by integrating sustainability into our supply chain management system. This involves actively implementing environmental and social responsibility risk management for suppliers, promoting carbon emission reduction throughout the supply chain, and supporting the sustainable development transition of the industry. We incorporate ESG-related metrics, including but not limited to low-carbon and social responsibility indicators, into supplier performance evaluations as additional scoring factors. Once any material ESG-related controversy is identified and verified, we will terminate the cooperation.

We work hand in hand with our suppliers on quality improvement initiatives. For issues such as non-compliant failure rates and unstable quality processes among certain suppliers, we organize dedicated technical and management teams to provide technical support and carry out improvement actions together with the suppliers. This approach effectively ensures the quality of products across the supply chain while enhancing the suppliers' quality management capabilities.

Occupational Health, Safety and Care

Compliance with laws and regulations pertaining to employee health and safety is a priority for our operations. To mitigate risks and ensure the well-being of our employees, we have developed comprehensive internal policies and measures on occupational health and safety. These include safety management plans and inspection schedules to identify and address potential hazards. During the Track Record Period, we had maintained a strong safety record with no significant accidents reported, and we were not aware of any material claims related to health and occupational safety.

We are committed to abiding by all applicable regulatory requirements, preventing and reducing hazards and risks that may harm the health of our employees, and ensuring the health and safety of our employees and surrounding communities. Strictly complying with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》) and the applicable laws and regulations in overseas locations of operation, we have continuously strengthened the occupational health protection of employees, and systematically sorted out the occupational health management system documents.

We conduct regular information sessions on occupational health and safety awareness for employees, including equipment safety, safety regulations, construction safety, and incident case studies. Meanwhile, through themed posters, health knowledge training, and contests, we continue to improve safety awareness of our employees.

We uphold a culture of equality, diversity, innovation, and zero tolerance for discrimination, fostering a transparent and trusting environment that values honesty and inclusiveness.

Community Relations Management

We support rural revitalization by promoting consumption-driven assistance, purchasing high-quality agricultural products from rural areas to help increase farmers' income and contribute to the revitalization of the countryside. We are also committed to public welfare and charity, encouraging and supporting our employees to participate in various volunteer service activities, spreading positive energy to society through practical actions within our capacity.

Corporate Governance

Anti-corruption and Anti-bribery

We uphold strong business ethics by continuously optimizing our anti-corruption framework, ensuring accessible reporting channels, and enforcing whistleblower protection. Meanwhile, we firmly oppose unfair competition and monopolistic practices, working to maintain a fair, transparent, and trustworthy business environment. Our multiple-level business ethics governance system includes: management by the supervision headquarters, and execution by several functional departments such as human resources headquarters, finance headquarters, legal affairs headquarters and audit headquarters. Meanwhile, we have issued the Business Partner Integrity Cooperation Management Measures, outlining integrity standards for suppliers, distributors, service providers, agents, and consulting firms to ensure ethical and compliant business development.

LICENSES, APPROVALS AND PERMITS

We are subject to regular inspections, reviews and audits and are required to maintain or renew the permits, licenses and certifications necessary for our operations. During the Track Record Period and up to the Latest Practicable Date, we had obtained all necessary licenses, approvals, and permits from the competent government departments and regulatory authorities that are material for our business operations in the jurisdictions where we operate.

The following table sets forth a list of our material licenses, approvals and certificates.

No.	Holder[1]	Name of License, Approval and Permit	Expiration Date
1.	Our Company	Pollution Discharge Registration Certificate	October 7, 2029
2.	Estun Robot		December 10, 2029
3.	Our Company	Permits for Urban Sewage Discharge into Drainage Network	December 22, 2029/ November 3, 2029
4.	Our Company	Import and Export Goods Consignor/ Consignee	December 31, 2099
5.	Carl Cloos (China)		December 31, 2099
6.	Estun Guangdong Robotics Co., Ltd.		December 31, 2099
7.	Estun Intelligent (Jiangsu)		December 31, 2099
8.	Estun Intelligent		December 31, 2099
9.	Estun Software	Software Enterprise Certificate	August 25, 2025[2]

Notes:

(1) The table lists the relevant licenses, approvals, and permits held by our major subsidiaries. Certain other subsidiaries within our Group may also hold the same or similar licenses, approvals, and permits. Except as disclosed in the table, we do not possess any other material licenses, approvals, or permits that are set to expire in 2025.

(2) We are currently in the process of renewing the Software Enterprise Certificate and do not anticipate any obstacles in completing the renewal.

INSURANCE

We believe we have adequate insurance coverage in connection with our business operations by putting in place all the mandatory insurance policies required by PRC laws and regulations, such as product liability insurance. As required by PRC laws and regulations, our employee-related insurance includes pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and medical insurance. During the Track Record Period, we did not make any material insurance claim in relation to our business. See also "Risk Factors — Risks Relating to Our Industry and Business — Our insurance coverage may not be sufficient to cover all losses, which may increase our costs of operation."

EMPLOYEES

As of September 30, 2025, we had 3,335 employees in total across our global operations. 2,245 employees were based in the PRC, representing 67.3% of our total employees as of the same date, while the remaining 1,090 employees were based overseas, mainly including Germany, Poland, the United Kingdom and the United States. The following table sets forth a breakdown of our employees by function as of the same date.

Function	Number of employees	% of total employees
Production and procurement	1,058	31.7%
Research and development	1,029	30.9%
Sales and marketing	763	22.9%
General administration and management	344	10.3%
Finance	85	2.5%
Others	56	1.7%
Total	**3,335**	**100.0%**

Our success deeply rests with our ability to attract, retain and motivate qualified talents, and we believe that our high-quality talent pool is one of our core strengths and competitive advantages. We recruit with high standards and rigorous procedures and through various methods, including campus recruitment, online recruitment, internal referral, and third-party recruiters, to select the best-fit personnel for the corresponding positions in response to our various talent demands.

Sharing success with employees and empowering them to grow is one of the core elements of our corporate culture. We always strive to provide employees with comprehensive social benefits, a safe working environment and diverse career development opportunities. Meanwhile, we strictly abide by the laws, regulations and standards on workplace safety in relevant countries and regions, and are committed to creating a safe and healthy working environment for employees, and ensuring the safety and physical and mental health of employees by implementing a highly efficient management system. We have maintained a good relationship and expect to maintain an amicable relationship in the future with our employees. We have established a labor union, an elected employee representative body, in accordance with the applicable British law. During the Track Record Period and up to the Latest Practicable Date, there were no material strikes which had an adverse impact on our operations and no material disputes between the Group and our employees.

In addition to full-time employees, we also collaborate with labor dispatch service providers. As of September 30, 2025, there were 238 personnel under labor dispatch arrangements. They were mainly assigned to production areas such as motor assembly, electrical cabinet assembly, machining, and final robot assembly. The roles they typically filled included shop-floor workers, warehouse staff, and quality inspectors.

We typically enter into labor dispatch agreements with the relevant service providers with a term of 12 months. The labor dispatch agreements include terms on (i) the job description of dispatched personnels, which mainly refers to repetitive labor assignments during the course of manufacturing, (ii) the responsibilities of labor dispatch service providers, which mainly include interviewing and recruiting dispatched personnel, entering into agreements with them, paying wages to and contributing to social insurance and housing provident funds for them, our responsibilities, including specifying work scope of dispatched personnel, providing them with requisite trainings and maintaining a safe working environment in accordance with applicable laws and regulations. We settle with the relevant service providers on a monthly basis according to the labor dispatch agreements. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, our labor dispatch agreements were in compliance with applicable laws and regulations on the following basis: (i) neither we nor our PRC Legal Advisors were aware of any applicable PRC laws or regulations prohibiting our engagement of labor dispatch service providers, (ii) the relevant labor dispatch service providers have obtained necessary licenses and permits to conduct labor dispatch business, (iii) we had complied with all applicable laws and regulations in relation to labor dispatch, such as the *Interim Provisions on Labor Dispatch*, and (iv) we had not been subject to any administrative penalties for violations of applicable laws and regulations in relation to labor dispatch during the Track Record Period and up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

To monitor and reduce the impact of risks relevant to our business operations, improve our corporate governance and ensure compliance with the applicable laws and regulations, we have established internal budget management procedures and special risks management measures. We have adopted a series of internal policies, guidelines and procedures to strengthen corporate governance and mitigate risks. For example, based on our actual business needs and in compliance with applicable laws and regulations, we may engage in foreign exchange hedging transactions with financial institutions to mitigate and manage exchange rate risks. These transactions may include forward foreign exchange contracts, foreign exchange swaps, currency swaps, foreign exchange options and other foreign exchange derivative instruments. Our Group is committed to building and maintaining a strong culture of compliance among all employees. During the Track Record Period and up to the Latest Practicable Date, we did not engage in any significant hedging activity.

The internal control evaluation is led by our Board of Directors and its audit committee, with the audit department playing a central role in coordinating a cross-functional evaluation team. To ensure the robustness of the internal control evaluation, the team applies a variety of assessment methods, including individual interviews, questionnaires, focused discussions, walkthrough tests, statistical sampling and comparative analysis. These methods are employed to comprehensively gather evidence concerning the design and operating effectiveness of internal controls, and to identify both design flaws and operational deficiencies where applicable.

Furthermore, we have implemented enhanced internal controls to strengthen operational efficiency, financial reliability, and regulatory compliance. Going forward, we will continue to regularly review and improve our internal policies, measures and procedures to ensure continuous alignment with evolving operational requirements, regulatory development and industry best practices.

DETERIORATING FINANCIAL PERFORMANCE

Our Financial Performance in 2024

The demand for our products is significantly influenced by customers' capital expenditure budgets, which are closely linked to macroeconomic conditions. Our offerings are mainly capital equipment used to build, expand and/or upgrade production lines across multiple end markets. Unlike low-cost consumables that are replenished continuously during routine operations, our products are purchased episodically, typically as part of discrete capital expenditure projects.

When macro conditions improve, leading to higher capacity utilization and fixed-asset investment, customers typically increase their capital spending, which supports more orders, higher revenue and sometimes improved gross profit margin. In downturns, customers tend to defer or scale back capital projects, lengthen purchasing cycles and, in some cases, seek price concessions, which can weigh on our sales, profit margins and cash collections. As a result, our operating results are closely correlated with prevailing macroeconomic conditions and may fluctuate with changes in the manufacturing investment cycle.

In 2024, we faced a challenging global economic downturn and a broad-based reduction in investment activity across most of the downstream sectors to which we primarily sells, including construction machinery, heavy industry and photovoltaics. These factors were the primary contributors to the deterioration of our financial results in 2024, including declines in revenue, as well as a net loss and net operating cash outflow.

In particular:

- ***Decreased revenue***. Our revenue decreased by 13.8% from RMB4,651.9 million in 2023 to RMB4,008.8 million in 2024. As noted above, our revenue from construction machinery and heavy industry customers decreased by 29.1%, from RMB2,051.9 million in 2023 to RMB1,454.0 million in 2024, while revenue from photovoltaic customers decreased by 46.9% from RMB454.2 million in 2023 to RMB241.0 million in 2024. In aggregate, these declines accounted for a reduction of RMB811.1 million in our total revenue.

  Industry-level declines were also reflected in our revenue across our business lines. Revenue from sales of industrial robots decreased by 14.8% to RMB1,232.6 million in 2024 from RMB1,446.1 million in 2023, primarily due to lower demand from customers in the photovoltaic industry. Revenue from industrial robot workstations decreased by 31.8% to RMB1,049.5 million in 2024 from RMB1,538.2 million in 2023. This primarily reflected less industrial robot workstations sold to customers in Europe and to construction machinery and heavy industry customers in China, resulting from economic weakness in Europe and reduced investment activity in China's construction machinery and heavy industry markets. For similar reasons, revenue from core automation components and motion control systems also declined in 2024.

  Amid this industry-wide downturn, we strategically adjusted prices across products and business lines. While this increased near-term pricing pressure and compressed margins, higher sales volumes in 2024 indicate that the strategy supported market share gains, as reflected in our ranking in the first half of 2025, and is building momentum for long-term growth. By offering favorable pricing terms to select key account customers in the automotive and lithium battery sectors, we increased our market penetration, which drove higher revenue from these sectors and supported our operating results.

- ***Decreased gross profit margin.*** Our gross profit margin declined from 31.3% in 2023 to 28.3% in 2024, reflecting margin contraction across all business lines. As noted above, the macroeconomic slowdown reduced demand, intensified industry competition and, in turn, increased pricing pressure on us. The contraction in our gross profit margin primarily reflected the aforesaid proactive pricing actions taken to navigate the downturn and defend volumes.

- ***Net loss.*** We recorded a loss for the year of RMB817.7 million in 2024, primarily due to a decline in gross profit resulting from decreased revenue and gross profit margin. In addition, higher operating expenses also contributed to the net loss, including:

  (i) impairment losses on intangible assets and goodwill of RMB360.5 million, resulting from the underperformance of certain subsidiaries because of demand weakened in specific downstream sectors, as mentioned above. The subsidiaries involved include (i) Prex, which we acquired in 2016, and currently our wholly- owned subsidiary, (ii) Trio Motion, which we acquired in 2017, and currently our wholly-owned subsidiary, (iii) Carl Cloos, which we acquired in 2020, and currently our wholly-owned subsidiary and (iv) Yangzhou Shuguang, which we acquired in 2017. In particular, we recognized an impairment loss on goodwill of RMB57.7 million in relation to Yangzhou Shuguang in 2024. As of the Latest Practicable Date, we had disposed of all of our 68% equity interest in Yangzhou Shuguang. For further details on this transaction, please refer to the section "History, Development and Corporate Structure — Major Share Capital Changes and Development of our Company." As of the Latest Practicable Date, we do not expect to incur other impairment losses on the goodwill of the above subsidiaries for the year ending December 31, 2025 in accordance with IAS 36, *Impairment of assets*, primarily because (i) the recent financial performance of Trio Motion and Carl Cloos has improved, supporting or increasing their recoverable amounts, and no specific indicators of impairment have been identified, (ii) there is no remaining goodwill balance for Prex, as the goodwill previously allocated to Prex was fully written off in prior impairment losses, and (iii) we have fully disposed of our equity interests in Yangzhou Shuguang;

  (ii) an increase of RMB83.8 million in administrative expenses, mainly due to a rise of RMB62.4 million in staff costs, which was primarily attributable to (i) the expansion of our increased headcounts to support our business growth, especially our expansion overseas, and (ii) higher employee compensation, reflecting intensified market competition for experienced management professionals;

  (iii) an increase of RMB53.8 million in research and development expenses, primarily resulting from a RMB43.8 million rise in staff costs. The increase in staff costs was mainly attributable to the adjusted compensation levels to remain competitive in attracting and retaining qualified personnel. These measures were implemented in line with our strategy to strengthen our R&D capabilities and enhance our ability to respond to new market developments and technological iterations. Our R&D efforts during the year were directed toward (a) enhancing the competitiveness of core automation components based on customer requirements, (b) building application technology platforms and back-end capabilities to significantly strengthen solution offerings, (c) leveraging new digital and information technology platforms to deliver additional value-added services to customers, and (d) developing robotic products tailored to emerging industries and high-barrier sectors, focusing on high-end applications to create more advanced, efficient manufacturing equipment and intelligent production lines; and

(iv) an increase of RMB46.4 million in selling expenses, mainly from a RMB47.9 million rise in staff costs in line with the expansion and enhancement of our sales and marketing teams to support business growth and our strategic expansion into overseas markets. The increase in staff costs was mainly attributable to the recruitment of additional sales and marketing personnel, particularly those with international market development experience, as well as adjustments in compensation and incentive schemes to enhance employee motivation and retention.

- ***Net operating cash outflows.*** Our net cash used in operating activities in 2024 was primarily attributable to decreased gross profit. Meanwhile, the cash conversion cycle, which reflects how efficiently a company turns inventory into sales and then into cash relative to how long it defers payment to suppliers, increased to 161 days in 2024 from 124 days in 2023, further contributing to operating cash outflows. As of December 31, 2024, several major components of our inventories, including finished goods, work-in-progress, goods delivered to customers and contract costs all increased as compared to December 31, 2023. The rise in finished goods was mainly attributable to inventory buildup for existing orders to ensure timely delivery. The increase in work-in-progress and contract costs was primarily driven by higher material and labor inputs resulting from increased outstanding orders. In addition, the increase in goods delivered to customers, for which revenue had not yet been recognized, further contributed to the higher inventory balance, thereby leading to an increase in inventory and inventory turnover days. Our trade and bill receivables increased in 2024, as the growth in trade and bill receivables outpaced the increase in revenue, which was primarily attributable to (i) our decision to offer more favorable credit terms to key account customers as part of our strategy to enhance market penetration; and (ii) the prolonged payment cycles of certain customers, particularly those in the photovoltaic industry.

  We recorded net cash generated from operating activities of RMB300.1 million for the first nine months of 2025, as compared to net cash used in operating activities of RMB531.1 million in the same period of 2024, attributable to our net profit of RMB29.7 million for the nine months ended September 30, 2025 and our improved cash conversion cycle.

Measures for Revenue Growth

In the first nine months of 2025, our business gradually recovered from the temporary downturn in 2024. Our revenue increased by 12.9% from RMB3,370.3 million in the first nine months of 2024 to RMB3,803.6 million in the first nine months of 2025.

To further improve our financial performance, we have taken and will continue to implement the following measures:

- ***Capturing the growth of emerging downstream industries***. As noted above, our operating results are closely linked to prevailing macroeconomic conditions. To diversify our revenue base and mitigate cyclicality, we intend to expand sales to customers in end markets with more favorable demand outlooks, particularly the automotive, lithium battery and electronics sectors, to support future growth. We achieved this progress by broadening the application scope of our industrial robots to better meet the industry production requirements. This strategy began to gain traction in the first nine months of 2025. Our revenue generated from the automotive, lithium battery, and electronics industries each experienced an increase of RMB430.4 million, RMB197.5 million, and RMB66.4 million from the first nine months of 2024 to the first nine months of 2025, respectively.

  Industries that experienced significant revenue declines in 2024 included construction machinery and heavy industry, and photovoltaic sectors. Revenue from construction machinery and heavy industry reached RMB1,156.4 million in the first nine months of 2025, broadly stabilizing compared with RMB1,197.7 million in the same period of 2024. The photovoltaic sector remains in a downturn. However, we have proactively prepared for this scenario by diversifying into new end markets. As a result, the photovoltaic sector now accounts for less than 5% of total revenue for the first nine months of 2025, and our volatility is expected to have a limited impact on our future business.

  Our downstream sectors have their own periodicity. We closely follow industry trends and identifies the downstream industries that are experiencing upward cycle. According to Frost & Sullivan, industries surrounding new energy vehicles (NEV) expanded notably in recent years due to various governmental policies in favor of NEV and clean energy. Accordingly, we strategically retain and acquire orders from automotive and lithium battery industries, especially strengthen relationships with key account customers in these sectors. As a result, our revenue increase in the first nine months of 2025 was mainly driven by increases in revenue generated from emerging industry verticals, including automotive, lithium battery and electronics industries.

- ***Driving revenue growth of core automation components and motion control systems.*** Our core automation components and motion control systems are applied across a wide range of downstream industries. In the first nine months of 2025, demand in sectors such as photovoltaic, textile and other traditional sectors weakened, leading to intensified competition and a decline in sales from these product lines. To drive revenue growth, we have taken measures including:

  (i) further optimizing our customer mix by strengthening partnerships with leading industry players, expanding cooperation along their value chains, and providing differentiated product portfolios tailored to their application needs, so as to increase the contribution of such customers to overall sales;

  (ii) reinforcing partnerships with distributors through closer collaboration in business, technical solutions and financing support, jointly serving end-users, and identifying new market opportunities to enhance their motivation and effectiveness;

  (iii) enhancing solution competitiveness based on application scenarios, offering integrated product portfolios that leverage the strengths of our servo systems, motion control systems and motion control solutions to improve customer stickiness and pricing power; and

  (iv) advancing product platform design to achieve scale effect, reducing costs, improving usability and shortening commissioning time, thereby enhancing overall competitiveness.

- ***Diversifying Service Offerings.*** We are proactively adapting to market shifts by transitioning from a product-centric approach to a solutions-led model and expanding the application scope of our industrial robots. By deeply understanding customer needs in different industries and developing tailored solutions, we aim to reduce the substitutability of our products and strengthen customer loyalty. We have already built comprehensive solution portfolios in sectors such as lithium battery, automotive and electronics. For example, in the automotive industry, we provide end-to-end intelligent manufacturing solutions spanning both vehicle assembly and component production, covering processes such as spot welding, arc welding, gluing, riveting and material handling, which has supported rapid revenue growth in this sector. Another example is the manufacturing of lithium batteries, where our products and solutions span key processes from cell production to module PACK assembly. Our SCARA Series robots, together with motion control solutions for die-cutting and winding machines, enable cells to enter the module PACK stage with high yield rates. In the module PACK stage, our welding robots and heavy-duty robots support automated module assembly, reducing labor costs and ensuring consistent product quality. Furthermore, our E-Noesis platform offers real-time visibility into equipment performance and production data across the lithium battery intelligent manufacturing system.

We are developing a new generation of products designed to broaden the application coverage. These products feature teaching-free welding and polishing, as well as vision-guided random bin picking, enabled by the integration of motion control, machine vision, and AI-based programming. To support these intelligent applications, we introduced the "next-generation" controller, built on an open and flexible architecture, which simplifies robot operation, enables multi-robot collaboration, and enhances system integration with external axes and sensors. With improved ease of use, teaching-free functionality and safety, these robots are particularly suited for steel structurewelding, surface polishing, gluing and laser welding, areas where automation adoption remains limited. By simplifying deployment and improving adaptability, our next-generation robots are expected to accelerate the replication of successful use cases and drive broader market adoption.

To further expand our market presence, we are enhancing both channel and regional sales capabilities. On one hand, we are empowering distributors with business, technical and financial support to jointly serve end-users and capture new market opportunities, thereby deepening penetration among small and mid-sized customers. On the other hand, we are strengthening cooperation with leading industry players and expanding our role across their value chains, thereby increasing the contribution of strategic customers to overall sales.

We are also advancing a "products plus services" strategy to build a full-lifecycle customer support system. This includes (i) establishing expert service teams and a data-driven digital service platform to deliver value-added services, (ii) improving our global service network to ensure timely and efficient support worldwide, (iii) providing technical training programs and online learning resources to enhance customer skills, and (iv) building a more comprehensive after-sales system with fast-response mechanisms, optimized spare parts management, remote technical support and continuous quality evaluation. These initiatives are designed to improve customer satisfaction and stickiness, while creating a differentiated and sustainable competitive advantage.

- ***Strengthening the industry leading position***. According to Frost & Sullivan, we ranked sixth globally and in China in terms of revenue among all industrial robotics manufacturers in 2024. However, despite our leading market position, our market shares were only 1.7% globally and 2.0% in China, as the market for industrial robots remains highly fragmented. According to Frost & Sullivan, the market size of the global industrial robotic solutions market in terms of revenue increased from USD14.7 billion in 2020 to USD25.4 billion in 2024, representing a CAGR of 14.6% from 2020 to 2024, and is expected to maintain its strong growth rate in the future, with revenue expected to reach USD51.8 billion by 2029, at a CAGR of 15.4% from 2024 to 2029. We had ranked first among domestic manufacturers in China's industrial robotic solutions market for years, in terms of industrial robot shipment volume, according to Frost & Sullivan. This leading position, in our opinion, provides us with a unique advantage in capturing the growth potential of this market.

The localization rate of industrial robots in the Chinese market continues to rise, providing a solid foundation for us to further expand our market share. According to Frost & Sullivan, the domestic segment accounts for 29.0%, 32%, 36%, 45% and 50% of the total industrial robot market in China in terms of the shipment volumes of industrial robot in 2020, 2021, 2022, 2023 and 2024, respectively, showing a rising trend in the localization rate of industrial robots in the Chinese markets. In the first nine months of 2025, the domestic segment accounts for 53% of the total industrial robot market in China in terms of the shipment volumes of industrial robot, and our shipment volume of industrial robots surpassed foreign brands within the domestic market, demonstrating our capability in capturing the opportunities driven by the trend of localization, according to the same source.

- ***Enhancing global presence***. Our revenue generated from overseas markets remained relatively stable from RMB1,139.3 million in the nine months ended September 30, 2024 to RMB1,117.7 million in the nine months ended September 30, 2025. We intend to focus on the European market, as it represents a high level of industrialization and adoption of robotic automation solutions. We currently operate two manufacturing bases in Europe, with a third under construction, which are expected to further strengthen our regional capabilities. Our revenue generated from the European market remained relatively stable at RMB909.3 million in the first nine months of 2024 and RMB894.2 million in the first nine months of 2025.

Measures for Managing Cost and Improving Operational Efficiency

We intend to improve gross profit margin through three key initiatives:

- We expect our gross profit margin to improve driven by stronger pricing discipline, improved bargaining power and differentiated pricing strategies across key industries and applications. We set prices with reference to application complexity, competitive conditions and target profit margins, while maintaining firm control over discounts to reflect the strategic value of our products. Our bargaining position has improved as we gained greater control over core technologies and reduced reliance on imported components, which has strengthened product competitiveness and lowered costs. These advances have supported deeper penetration among leading customers in high-growth sectors such as lithium battery and automotive manufacturing, where precision, reliability and efficiency requirements allow for premium pricing. Expanded production capacity has also enhanced scale efficiency, giving us greater flexibility to price based on value rather than volume.

  We continue to adopt differentiated pricing strategies that reflect the added value of our offerings, including process-specific software packages and services delivered through our digital platforms. In the market for industrial robotic solutions applied in the automotive sector, which has long been dominated by foreign manufacturers, we have steadily increased our market share by offering comprehensive, cost-effective and customized automation solutions. Our solutions cover the full production process, including stamping, welding, drilling, die casting, polishing, coating and smart material handling. By developing automotive-specific welding process software packages, we help leading automakers improve production efficiency. These capabilities, combined with our strong price-performance advantage and localized support, have enabled us to gain greater penetration among major customers in the automotive sector.

- We plan to expand our portfolio of industrial robots that can achieve higher price premiums by focusing on products with stronger performance, higher precision and greater integration capability. For example, our heavy-duty and ultra-heavy-duty robots generally command higher price premiums relative to light-duty and medium-duty models, as these products incorporate more advanced technologies and face less market competition. In 2024, our 700 kg ultra-heavy-duty robot was included in the *Catalog of Nationally Recognized First-of-its-Kind Innovative Products (2024)* issued by the MIIT, underscoring its technological innovation and differentiated value. Our R&D efforts will emphasize developing proprietary control software and motion algorithms that improve speed, stability and accuracy, and enable our robots to handle more complex manufacturing processes. Products with higher technological sophistication and integration depth typically command better pricing and profitability. We are also strengthening compliance with international safety and certification standards to meet the requirements of overseas markets, which will contribute to higher overall gross profit margins. In addition, our large installed base of industrial robots provides substantial opportunities in the after-sales market, including equipment maintenance, upgrades, and the sale of process-specific software packages. These recurring service revenues will enhance the profitability and resilience of our overall offering mix; and

- We will optimize our global operations under a "local-for-global" model to capture regional advantages, improve margins, and strengthen our competitiveness. First, we will enhance research and development localization by establishing overseas R&D centers and integrating local expertise with China's cost-efficient manufacturing base, thereby combining advanced international technologies with China's scale advantages. Second, we will advance production and supply chain localization by setting up overseas manufacturing facilities while continuing to leverage China's mature supply chain ecosystem. This approach will allow us to integrate leading global suppliers, secure stable access to critical components such as servo systems and controllers, and lower production costs. We manage our production activities in an integrated manner across both domestic and overseas manufacturing bases to enhance resource allocation and operational efficiency. Centralized management allows us to optimize production planning, procurement, and supply chain coordination on a global scale, enabling flexible deployment of capacity across different sites. We also export components produced in-house in China to our overseas manufacturing facilities to further enhance cost efficiency and supply chain integration. Third, we will expand our global market presence and service capabilities by operating overseas subsidiaries and service networks that deliver differentiated products and tailored solutions for specific regional industries, such as automotive manufacturing in Europe and electronics contract manufacturing in Southeast Asia. We operate under a centralized human-resources framework and deploy personnel across our global manufacturing operations as needed to make full use of our existing workforce. Together, these initiatives are expected to reduce logistics and tariff costs, shorten lead times and enhance overall profitability.

We continue to strengthen operational discipline and data-driven management across our business.

- In sales and marketing, we are leveraging digital tools and analytics to improve the efficiency of customer acquisition and retention. Actions include (i) optimizing the go-to-market model and workforce mix through greater use of channel partners; (ii) instituting a pre-approval regime and tighter monitoring of travel and business entertainment expenses; and (iii) reinforcing KPI-based performance management with specific targets for gross margin, cash collections and adherence to expense budgets. We have implemented a company-wide customer relationship management (CRM) system integrated with our enterprise resource planning (ERP) platform to digitalize the lead-to-cash process, covering the entire cycle from lead generation and opportunity management to order fulfillment and payment collection. Sales activities are now recorded and managed through the CRM system, enabling data-driven tracking and analysis that improve conversion and win rates. The system also streamlines the transition from quotation to contract and automates order creation, significantly enhancing processing efficiency. Integrated with our banking system, the CRM enables automatic payment reconciliation and bookkeeping in ERP, improving financial efficiency and internal control. We have also introduced an expense control system linked to a leading domestic travel platform, which embeds real-time budget management into the approval workflow. Expense requests are automatically checked against available budgets, and employees can book travel directly within their pre-approved limits through the platform. The system provides us with centralized settlement and payment, eliminating manual reimbursement, improving efficiency, and reducing compliance risks.

- In business administration, we are tightening control over key overhead categories, with a particular focus on office expenses, by adopting paperless processes. Key initiatives include: (i) deploying digital management and expense systems to automate tracking, analysis and early-warning alert; (ii) streamlining approval workflows through a tiered authorization matrix that assigns approval rights based on the type of expense, including travel and business entertainment, and on the transaction amount; and (iii) further enhancing transparency and oversight through periodic internal audits.

These measures began to yield results in the first nine months of 2025. For the nine months ended September 30, 2025, our selling expenses and administrative expenses, as a percentage of revenue, were 8.1% and 8.7%, respectively, significantly reduced from 9.6% and 11.3% for the nine months ended September 30, 2024, respectively.

In addition, we are implementing lean management of its R&D process, measures of which include reducing material waste and monitoring R&D-related travel expenses. For example, our R&D teams now compare multiple design options early in the development process and use advanced simulation software to validate key parameters. This approach ensures higher accuracy in the initial design, reduces the number of prototypes of printed circuit board and physical iterations, lowers material waste, and significantly shortens the overall development timeline. Consequently, research and development expenses as a percentage of revenue decreased from 9.1% for the nine months ended September 30, 2024 to 8.4% for the same period in 2025, indicating our elevated R&D efficiency.

THE CONTROLLING SHAREHOLDERS GROUP

The Controlling Shareholders Group includes Mr. Wu, Mr. Wu Kan (吳侃) (son of Mr. Wu), Ms. Liu Fang (劉芳) (spouse of Mr. Wu) and Nanjing Primest. Mr. Wu and Ms. Liu Fang are spouses and parents of Mr. Wu Kan. Accordingly, Mr. Wu, Ms. Liu Fang and Mr. Wu Kan are regarded as the Controlling Shareholders Group of our Company on the basis of (i) their family relationships of being close associates (spouse) and family members (parents and son) of each other; and (ii) Mr. Wu, Ms. Liu Fang and Mr. Wu Kan hold part of their shareholding interests collectively in our Company indirectly via a common investment holding company (namely Nanjing Primest) and therefore be presumed to be a group of Controlling Shareholders.

As of the Latest Practicable Date, the Controlling Shareholders Group was able to exercise approximately 42.15% voting rights in our Company, comprising (i) 110,996,700 Shares (representing approximately 12.74% of the issued Share capital of our Company) held directly by Mr. Wu, (ii) 254,894,742 Shares (representing approximately 29.26% of the issued Share capital of our Company) held by Nanjing Primest, which is a limited liability company established under the laws of the PRC and is held as to 96.89%, 3.00% and 0.11% by Mr. Wu, Mr. Wu Kan and Ms. Liu Fang, respectively, and (iii) 1,263,033 Shares (representing approximately 0.15% of the issued Share capital of our Company) held directly by Mr. Wu Kan.

Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and options granted under the 2025 Share Option Scheme are not exercised), the Controlling Shareholders Group will be entitled to exercise approximately 35.83% voting rights in our Company. Therefore, the Controlling Shareholders Group will continue to be our Controlling Shareholders Group for the purpose of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS GROUP

Our Directors consider that we are capable of carrying on our business independently of our Controlling Shareholders Group and their close associates after the Listing, taking into consideration of the factors below.

Management Independence

Our Board comprises nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. Save and except for Mr. Wu, none of our Directors or members of our senior management serves as director or member of senior management in our Controlling Shareholders Group and their close associates (other than members of our Group).

We believe that our Board as a whole, together with our senior management, is able to perform the managerial role in our Group independently from our Controlling Shareholders Group for the following considerations:

(a) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she acts for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) our daily management and operation decisions are made by all our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. For details of the industry experience of our senior management, see "Directors and Senior Management" in this prospectus;

(c) we have appointed three independent non-executive Directors, comprising one-third of the total members of our Board, who have sufficient knowledge, experience and competence with a view to bringing independent judgment to the decision-making process of our Board;

(d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders Group which would support our independent management. For further details, please refer to the paragraph headed "— Corporate Governance Measures" in this section.

In light of the above, our Directors believe that our Company has sufficient and effective control mechanisms to ensure that our Directors perform their respective duties properly and safeguard the interests of our Company and our Shareholders as a whole.

Operational Independence

We have full rights to make all decisions on, and to carry out, our own business operations independently. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate independently from our Controlling Shareholders Group and their close associates. We hold all the requisite licenses, intellectual property rights and qualifications that are material to carry on our principal business. We also have independent access to suppliers and customers and have sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders Group and their close associates.

Based on the above, our Directors believe that we will be able to operate independently from our Controlling Shareholders Group and their close associates.

Financial Independence

We have an independent financial system. We make financial decisions according to our own business needs and neither our Controlling Shareholders Group nor their close associates intervene with our use of funds. We have established an independent finance department with a team of financial staff and an independent audit, accounting and financial management system.

In addition, we have been and are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling Shareholders Group or their close associates. As of the Latest Practicable Date, there was no loan, advance or guarantee provided by our Controlling Shareholders or their close associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently of and do not place undue reliance on our Controlling Shareholders Group and their close associates after the Listing.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders Group:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders Group or any of their associates has a material interest, our Controlling Shareholders Group or their associate will not vote on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with our Controlling Shareholders Group or any of their associates, our Company will comply with the applicable Listing Rules;

(c) our Board consists of a balanced composition of executive Directors and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders Group and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and

(e) we have appointed Maxa Capital Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders Group and to protect our Shareholders' interests as a whole after the Listing.

INTEREST IN COMPETING BUSINESS OF OUR CONTROLLING SHAREHOLDERS GROUP AND THE DIRECTORS

None of the members of our Controlling Shareholders Group or our Directors was, as of the Latest Practicable Date, interested in or engaged in any business, other than our Company, which, materially competes or is likely to materially compete, either directly or indirectly, with our Group's businesses and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

BOARD OF DIRECTORS

Our Board currently consists of nine Directors, comprising five executive Directors, one non-executive Director and three independent non-executive Directors, namely:

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Role and responsibilities	Relationship with other Directors and senior management
Mr. WU Bo (吳波)	71	Executive Director, chairman of the Board and chief strategic officer	June 27, 2011	February 2002	Responsible for convening and presiding over meetings, making decisions on major issues	Father of Mr. WU Kan
Mr. WU Kan (吳侃)	41	Executive Director, vice chairman of the Board and general manager	July 9, 2020	October 2013	Responsible for the overall management, overall strategic planning, and business development of our Company	Son of Mr. WU
Mr. ZHU Chunhua (諸春華)	55	Executive Director and deputy general manager	July 12, 2017	August 2011	Responsible for daily operation of the Company	None
Mr. ZHOU Ailin (周愛林)	52	Executive Director and deputy general manager	July 9, 2020	May 2006	Responsible for daily operation of the Company	None
Mr. HE Lingjun (何靈軍)	52	Executive Director, deputy general manager and financial director	June 29, 2022	May 2021	Responsible for financial management and corporate governance of the Company	None
Ms. CHEN Yinlan (陳銀蘭)	45	Non-executive Director	July 19, 2023	October 2004	Responsible for providing strategic advice on the management and corporate governance of the Company	None
Dr. TANG Wencheng (湯文成)	66	Independent non-executive Director	July 9, 2020	July 2020	Primarily responsible for providing independent advice and judgment to our Board	None
Dr. HAN Xiaofang (韓小芳)	41	Independent non-executive Director	June 20, 2025	June 2025	Primarily responsible for providing independent advice and judgment to our Board	None
Mr. LIN Jinjun (林金俊)	40	Independent non-executive Director	June 20, 2025	June 2025	Primarily responsible for providing independent advice and judgment to our Board	None

The following sets forth the biographies of our Directors:

EXECUTIVE DIRECTORS

Mr. WU Bo (吳波), aged 71, is the founder of our Group, an executive Director, the chairman of the Board and chief strategic officer. He was appointed as a Director of our Company on June 27, 2011 and is primarily responsible for convening and presiding over meetings, making decisions on major issues.

Mr. Wu is a sophisticated and resourceful veteran with nearly 40 years of industry experience. He gained in-depth understanding of the industry where our Group operates and acquired rich management experience from his previous work experience and the management and development of our business. Prior to the establishment of the Group, Mr. Wu served as a teacher at Nanjing Forestry University (南京林業大學) in the PRC from April 1980 to August 1984. From March 1987 to July 1993, Mr. Wu gained in-depth industry experience for working as an officer at Jiangsu Machinery and Equipment Import and Export Corporation (江蘇省機械設備進出口公司). Mr. Wu established Nanjing Estun Industrial Automation Co., Ltd (南京埃斯頓工業自動化有限公司), one of our former subsidiary, in March 1993 and served as the executive director.

Mr. Wu also holds directorships and senior management positions in a number of our major subsidiaries, including but not limited to Nanjing Estun Software Technology Co., Ltd. (南京埃斯頓軟件技術有限公司).

Mr. Wu obtained his bachelor's degree in mechanical manufacturing engineering and master's degree in mechanical manufacturing from Southeast University (東南大學) (formerly known as Nanjing Institute of Technology (南京工學院)) in the PRC in January 1980 and July 1987, respectively.

Mr. WU Kan (吳侃), aged 41, is an executive Director, vice chairman of the Board and general manager of our Company. He was appointed as a Director of our Company on July 9, 2020 and is primarily responsible for formulating the overall strategy and overseeing the implementation of the strategy and the operation and management of our Group.

Prior to joining of the Group, Mr. Wu Kan worked as an experienced associate at PricewaterhouseCoopers LLP from June 2010 to June 2013.

Mr. Wu Kan also holds directorships and senior management positions in a number of our major subsidiaries, including but not limited to, Estun Robot and Nanjing Dingpai Electromechanical Technology Co., Ltd. (南京鼎派機電科技有限公司).

Mr. Wu Kan obtained his bachelor's degree in automation and control engineering from Southeast University (東南大學) in the PRC in June 2005. Mr. Wu Kan obtained his master's degree in business administration from University of Missouri (密蘇里大學) in the United States in December 2007.

Mr. ZHU Chunhua (諸春華), aged 55, is an executive Director and the deputy general manager of our Company. He was appointed as a Director of our Company on July 12, 2017 and is primarily responsible for daily operation of the Company.

Prior to joining of the Group, Mr. Zhu Chunhua served as the chief engineer, director of the science and technology department and the head of design office of Jiangsu Gaochun Textile Machinery Company Limited (江蘇省高淳紡織機械有限公司) from September 1991 to May 2007.

Mr. Zhu Chunhua also holds directorships and senior management positions in a number of major subsidiaries, including but not limited to Estun Intelligent Technology (Jiangsu) Co., Ltd. (埃斯頓智能科技(江蘇)有限公司) and Nanjing Estun Intelligent System Engineering Co., Ltd. (南京埃斯頓智能系統工程有限公司).

Mr. Zhu Chunhua obtained his bachelor's degree in mechanical engineering from Southeast University (東南大學) in the PRC in July 1991. Mr. Zhu was certified as senior mechanical engineer by the Department of Human Resources and Social Security of Jiangsu Province in November 2006.

Mr. ZHOU Ailin (周愛林), aged 52, is an executive Director and the deputy general manager of our Company. He was appointed as a Director of our Company on July 9, 2022 and he is primarily responsible for the daily operation of the Company.

Prior to joining of the Group, Mr. Zhou worked as the operation director of Jiangsu Hongtu High Technology Company Limited (江蘇宏圖高科技股份有限公司) from March 2000 to May 2006, a company specializing on the research, production and sales of including but not limited to computer network equipment and telecommunication equipment. Mr. Zhou joined our Group in May 2006. From May 2006 to December 2013, Mr. Zhou served as the sales general manager and the deputy general manager of our Company.

Mr. Zhou also holds directorships and senior management positions in a number of our major subsidiaries, including but not limited to Nanjing Dingkong Electromechanical Technology Co., Ltd. (南京鼎控機電科技有限公司).

Mr. Zhou obtained his bachelor's degree in physics from Wuhan University (武漢大學) in the PRC in July 1996.

Mr. HE Lingjun (何靈軍), aged 52, is an executive Director, a deputy general manager and financial director of our Company. He was appointed as a Director of our Company on June 29, 2022 and he is primarily responsible for the financial management and corporate governance of the Company.

Prior to joining of the Group, Mr. He worked at KPMG Huazhen LLP from September 2002 to August 2011 with his last position as a senior manager. He then served as the financial director of Nanjing Develop Advanced Manufacturing Co., Ltd. (南京迪威爾高端製造股份有

限公司), a company listed on the Shanghai Stock Exchange (stock code: 688377.SH) from August 2011 to May 2021. From April 2017 to October 2018, Mr. He served as a special assistant to the president of Shanghai PHICOMM Data Communication Technology Co., Ltd. (上海斐訊數據通信技術有限公司), a company specializing in the research and development, manufacturing, marketing, and sales of software and hardware IP networking and communication products.

Mr. He obtained his bachelor's degree in naval architecture and ocean engineering from Harbin Engineering University (哈爾濱工程大學) in the PRC in July 1996. Mr. He obtained his master's degree in business administration from Shanghai Jiao Tong University (上海交通大學) in the PRC in December 2020. Mr. He has obtained his PRC legal professional qualification certificate in March 2014. Further, Mr. He has obtained his Certified Public Accountant (non-practicing) certificate and Certified Valuer (non-practicing) certificate both issued by the Ministry of Finance in August 2000 and September 2000, respectively.

NON-EXECUTIVE DIRECTOR

Ms. CHEN Yinlan (陳銀蘭), aged 45, is a non-executive Director of our Company. She was appointed as a Director of our Company on July 19, 2023 and she is primarily responsible for providing strategic advice on the management and corporate governance of the Company.

Ms. Chen joined our Group in October 2004. From October 2004 to December 2022, she successively served as the manufacturing manager, deputy general manager of the supply chain management, procurement manager, and strategic procurement manager. In July 2023, she was promoted to serve as the assistant to the president and director of our Company, respectively.

Ms. Chen obtained her bachelor's degree in electrical engineering and automation from China University of Mining and Technology (中國礦業大學) in the PRC in July 2002.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. TANG Wencheng (湯文成), aged 66, was appointed as our independent non-executive Director on July 9, 2020 and is primarily responsible for providing independent opinion and judgement to our Board.

Since February 1982, Dr. Tang has been teaching at Southeast University (東南大學) in the PRC and was promoted to professorship in May 1998. He has also been serving as the vice president of Sanjiang University (三江學院) in the PRC since December 31, 2024 and since May 13, 2024 as an independent director of Jiangsu Pacific Precision Forging Co., Ltd. (江蘇太平洋精鍛科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300258. SZ). He was an independent director of Nanjing Dashu Intelligence Technology Co., Ltd (南京大樹智能科技股份有限公司) (NEEQ: 430607) from January 18, 2022 to January 10, 2023.

Dr. Tang obtained his bachelor's degree in mechanical manufacturing processes and equipment and master's degree in mechanical manufacturing from Southeast University (東南大學) (formerly known as Nanjing Institute of Technology (南京工學院)) in the PRC in July 1982 and January 1987, respectively. He obtained his doctoral degree in engineering in mechanical design & manufacturing and automation from Southeast University (東南大學) in the PRC in April 2003.

Dr. HAN Xiaofang (韓小芳), aged 41, was appointed as our independent non-executive Director on June 20, 2025 and is primarily responsible for providing independent opinion and judgement to our Board.

Dr. Han has been serving as an associate professor of accounting at Nanjing University of Finance and Economics (南京財經大學) in the PRC since August 2013, focusing her research primarily on accounting theory and practice. She has led or participated in several national and provincial research projects and has published multiple articles in authoritative journals, covering topics ranging from, including but not limited to, adverse audit opinions relating to internal control, and to the effect of board size in fraud-affected companies on audit quality.

Also, Dr. Han has been serving as an independent director and the chairlady of the audit committee of Jiamei Food Packaging (Chuzhou) Co., Ltd. (嘉美食品包裝(滁州)股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002969.SZ) since December 2023. Dr. Han is responsible for monitoring the company's operations, financials, governance and internal controls, while reviewing transactions, fund flows, and investment progress. Dr. Han has therefore gained substantial practical knowledge and extensive experience in supervising financial reporting, internal control and other accounting-related matters of listed issuer, and has acquired the accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules. Nevertheless, Dr. Han satisfies the independent directors requirement under the Shenzhen Stock Exchange Main Board Listing Rules with her academic title of associate professor of accounting at Nanjing University of Finance and Economics (南京財經大學) and her master's degree and doctoral degree in management (accounting) from Yunan University of Finance and Economics (雲南財經大學) and Dongbei University of Finance and Economics (東北財經大學), respectively.

Dr. Han obtained her bachelor's degree in marketing from Anhui University of Technology (安徽工業大學) in the PRC in July 2005. Subsequently, Dr. Han obtained her master's degree in accounting and doctoral degree in management (accounting) from Yunan University of Finance and Economics (雲南財經大學) and Dongbei University of Finance and Economics (東北財經大學) in the PRC in July 2007 and July 2010, respectively. Dr. Han was a member of the Enterprise Accounting Standards Committee of the Chinese Accounting Society (中國會計學會企業會計準則專業委員會委員) which is dedicated to professional consultation of PRC GAAP, including discussions on their implementation and updates.

Mr. LIN Jinjun (林金俊), aged 40, was appointed as our independent non-executive director on June 20, 2025 and is primarily responsible for providing independent opinion and judgement to our Board.

Mr. Lin worked at Barclays Plc from May 2014 to December 2020. Mr. Lin served as a Director of the Asia Pacific Industrial Group within the Investment Banking Division at HSBC Group Plc from September 2021 to April 2024. Since August 2024, Mr. Lin has been serving as the Head of Corporate Development and M&A at BMTS Technology GmbH & Co. KG (博馬科技(上海)有限責任公司), a global tier one supplier of automotive turbocharger systems. At the same time, Mr. Lin also has been serving as the adviser to the board of director of Shineon Innovation Technology Co., Ltd. (易美芯光 (北京) 科技有限公司), a leading global LED package and module solution provider for lighting and display market since August 2024.

Mr. Lin obtained his bachelor's degree in mathematics, operations research, and statistics economics from University of Warwick in the United Kingdom in June 2007.

General

Save as disclosed in this section and the paragraph headed "Further Information about Our Directors and Substantial Shareholders" in Appendix VI to this prospectus, each of our Directors confirms that:

(1) he/she has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2025, and understand his/her obligations as a director of a listed issuer under the Listing Rules;

(2) he/she does not have any existing or proposed service contract with our Group other than contracts expiring or determinable by the relevant member of our Group within one year without payment of compensation (other than statutory compensation);

(3) he/she has no interest in the Shares within the meaning of Part XV of the SFO;

(4) he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date;

(5) other than being a Director and/or member of our Company's senior management, he/she does not have any relationship with any other Directors, senior management or substantial shareholders of our Company; and

(6) he/she has not completed his/her respective education programs as disclosed in this section by way of attendance of long distance learning or online courses.

Each of our independent non-executive Directors has confirmed:

(1) his/her independence after taking into consideration each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;

(2) that he/she does not have any 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; and

(3) that there are no other factors which may affect his/her independence at the time of his/her appointment as our independent non-executive Director.

Save as disclosed herein, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and 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 as of the Latest Practicable Date.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of our business. The table below sets forth certain information in respect of the senior management of our Company:

Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Role and responsibilities	Relationship with Directors and other senior management
Mr. WU Bo (吳波)	71	Executive Director, chairman of the Board and chief strategic officer	December 31, 2021	February 2002	Responsible for convening and presiding over meetings, making decisions on major issues	Father of Mr. WU Kan
Mr. WU Kan (吳侃)	41	Executive Director, vice chairman of the Board and general manager	December 30, 2020	October 2013	Responsible for the overall management, overall strategic planning, and business development of our Company	Son of Mr. WU Bo
Mr. ZHU Chunhua (諸春華)	55	Executive Director and deputy general manager	July 12, 2017	August 2011	Responsible for daily operation of the Company	None
Mr. ZHOU Ailin (周愛林)	52	Executive Director and deputy general manager	July 9, 2020	May 2006	Responsible for daily operation of the Company	None

Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Role and responsibilities	Relationship with Directors and other senior management
Mr. HE Lingjun (何靈軍)	52	Executive Director, deputy general manager and financial director	August 13, 2021	May 2021	Responsible for financial management and corporate governance of the Company	None
Mr. ZHU Zhangxing (朱樟興)	48	Deputy general manager	April 28, 2024	November 2022	Responsible for the overseas business	None
Mr. YIN Chenggang (殷成鋼)	43	Deputy general manager	April 28, 2024	March 2007	Responsible for assisting the general manager with the daily operation of the Company	None
Ms. XIAO Tingting (肖婷婷)	34	Secretary of the Board	January 23, 2025	April 2022	Responsible for the information disclosure and investor relations affairs of the Company	None

The following sets forth the biographies of our senior management:

For details of Mr. WU Bo (吳波), Mr. WU Kan (吳侃), Mr. ZHU Chunhua (諸春華), Mr. ZHOU Ailin (周愛林) and Mr. HE Lingjun (何靈軍), see "— Board of Directors — Executive Directors" in this section for details.

Mr. ZHU Zhangxing (朱樟興), aged 48, served as the deputy general manager of our Company.

Prior to joining our Group, Mr. Zhu Zhangxing worked at Lucent Technologies, a company specializing in telecommunication industry, as a senior software engineer from August 2003 to September 2006. From August 2009 to April 2016, Mr. Zhu served as the director of Munich Private Equity Partners. From April 2016 to December 2019, he worked as the Managing Director of investment department and was later promoted to partner position in January 2020, at China Renaissance Capital Investment (崇德投資). Mr. Zhu Zhangxing joined our Group in November 2022 and was promoted to deputy general manager in April 2024.

Mr. Zhu Zhangxing obtained his bachelor's degree in measurement & control technology and instrumentation from Southeast University (東南大學) in the PRC in June 2000. He then obtained his master's degree in measurement & control technology and instrumentation from Southeast University (東南大學) in the PRC in April 2003, and in information and communication systems from Hamburg University of Technology (漢堡工業大學) in the Germany in June 2009, respectively.

Mr. YIN Chenggang (殷成鋼), aged 43, served as the deputy general manager of our Company.

Mr. Yin joined our Group in March 2007. From March 2007 to May 2023, he successively served as an assistant to general manager, general manager of the business unit. In April 2024, he was promoted to serve as the deputy general manager of our Company.

Mr. Yin obtained his bachelor's degree in mechanical design from Jilin University (吉林大學) in the PRC in July 2004. He obtained his master's degree in mechanical related profession from Nanjing Agricultural University (南京農業大學) in the PRC in July 2008.

Ms. XIAO Tingting (肖婷婷), aged 34, served as the secretary to the Board of our Company.

Prior to joining our Group, Ms. Xiao worked at the Anhui Branch of Pan-China Certified Public Accountants (Special General Partnership) (天健會計師事務所(特殊普通合夥)) from September 2012 to April 2014. From June 2014 to September 2015, Ms. Xiao worked at Tianheng Certified Public Accountants (Special General Partnership) (天衡會計師事務所(特殊普通合夥)). From October 2015 to May 2016, she worked at the securities department of Changjiang Securities Co., Ltd. (長江證券股份有限公司), where she was responsible for promoting institutional business cooperation. From June 2016 to August 2017, she served as a senior investment manager at Nanjing Jizhi Xiexin Investment Management Co., Ltd. (南京汲智協新投資管理有限公司) where she was responsible for investment consultation. From September 2017 to April 2022, Ms. Xiao worked as the investment director at Jiangsu Xinhua Fengyu Capital Management Co., Ltd. (江蘇新華灃裕資本管理有限公司). Ms. Xiao joined our Group on April 2022 and was promoted to the head of securities and investment department, securities affairs representatives and the secretary to the Board in January 2023, July 2023 and January 2025, respectively.

Ms. Xiao obtained her bachelor's degree in financial engineering from Shandong University of Finance and Economics (山東財經大學) in the PRC in July 2012. Ms. Xiao obtained her master's degree in business administration from Southeast University (東南大學) in the PRC on December 2020. Ms. Xiao was accredited as a non-practicing certified public accountant from The Chinese Institute of Certified Public Accountants in December 2015. In September 2022, she obtained the secretary of the board of directors qualifications (董事會秘書資格) granted by the Shenzhen Stock Exchange.

General

Save as disclosed in this section and the paragraph headed "Further Information about Our Directors and Substantial Shareholders" in Appendix VI to this prospectus, each of our senior management members confirms that:

(1) he/she does not hold and has not held any other positions in our Group and any other members of our Group as of the Latest Practicable Date;

(2) other than being a Director and/or member of our Company's senior management, he/she does not have any relationship with any Directors, other members of senior management or substantial shareholders of our Company as of the Latest Practicable Date;

(3) he/she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as of the Latest Practicable Date; and

(4) he/she has not completed his/her respective education programs as disclosed in this section by way of attendance of long distance learning or online courses.

JOINT COMPANY SECRETARIES

Ms. XIAO Tingting (肖婷婷), see "— Senior Management" in this section for details.

Ms. POON Pui Man Hera (潘霈民) of Zhong Lun Law Firm LLP, an external service provider, has been appointed as one of our joint company secretaries of our Company with effect upon Listing. She is a solicitor qualified to practice in Hong Kong. Ms. Poon is currently an associate of Zhong Lun Law Firm LLP, specialising in corporate finance work including initial public offerings and post-listing compliance matters. Ms. Poon received her Juris Doctor degree and Postgraduate Certificate in Laws from The Chinese University of Hong Kong in July 2019 and August 2020, respectively.

COMPLIANCE ADVISER

We have appointed Maxa Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports;

- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues and share repurchases;

- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and

- where the Stock Exchange makes an inquiry of us regarding unusual price movement and trading volume or other issues under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, Maxa Capital Limited will, in a timely manner, inform us of any amendment or supplement to the Listing Rules and new or amended laws and regulations in Hong Kong applicable to us.

The terms of the appointment shall commence on the Listing Date and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date.

BOARD COMMITTEES

We have established the following committees on our Board: an audit committee, a remuneration and appraisal committee, a nomination committee, a strategy committee and an ESG committee. The committees operate in accordance with the terms of reference established by our Board.

Audit Committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"). The Audit Committee consists of Dr. Han Xiaofang, Dr. Tang Wencheng and Mr. Lin Jinjun, with Dr. Han Xiaofang being the chairlady of the committee. Dr. Han Xiaofang holds the appropriate accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee are to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management systems, overseeing the audit process, and performing other duties and responsibilities as assigned by our Board, which includes amongst other things:

- proposing to our Board the appointment and replacement of external audit firms;
- supervising the implementation of our internal audit system;
- liaising between our internal audit department and external auditors;
- reviewing our financial information and related disclosures; and
- other duties conferred by our Board.

Remuneration and Appraisal Committee

We have established a remuneration and appraisal committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of part 2 of the Corporate Governance Code. The remuneration and appraisal committee consists of Mr. Lin Jinjun, Dr. Han Xiaofang and Ms. Chen Yinlan, with Mr. Lin Jinjun being the chairperson of the committee.

The primary duties of the remuneration and appraisal committee are to develop remuneration and appraisal policies of our Directors, evaluate the performance, make recommendations on the remuneration packages of our Directors and senior management and evaluate and make recommendations on employee benefits, which include amongst other things:

- establishing, reviewing and making recommendations to our Board on our policy and structure concerning remuneration and appraisal of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and appraisal;

- determining the terms of the specific remuneration package of each Director and members of senior management;

- reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time;

- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and

- other duties conferred by our Board.

Nomination Committee

We have established a nomination committee with written terms of reference in compliance with paragraph B.3 of part 2 of the Corporate Governance Code. The Nomination Committee consists of Dr. Tang Wencheng, Dr. Han Xiaofang and Mr. Wu Kan, with Dr. Tang Wencheng being the chairperson of the committee.

The primary duties of the Nomination Committee are to make recommendations to our Board in relation to the appointment and removal of Directors which includes, amongst other things:

- reviewing the structure, size and composition of our Board on a regular basis, assisting our Board in maintaining a board skills matrix, and making recommendations to our Board regarding any proposed changes;

- identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorships;
- assessing the independence of independent non-executive Directors;
- making recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors;
- supporting our Company's regular evaluation of our Board's performance; and
- other duties conferred by our Board.

Strategy Committee

Our Board has established a strategy committee (the "**Strategy Committee**") with written terms of reference. The primary duties of the Strategy Committee are to research on making recommendations to our Board on our long-term development strategies, major decisions, and environmental, social and governance matters. The Strategy Committee comprises Mr. Wu Bo, Mr. Wu Kan, Mr. Zhu Chunhua, Mr. Zhou Ailin and Dr. Tang Wencheng, with Mr. Wu Bo as the chairperson.

ESG Committee

Our Company has established the environmental, social and governance committee (the "**ESG Committee**") which consists of Mr. Wu Bo, Dr. Tang Wencheng and Mr. He Lingjun and is chaired by Mr. Wu Bo. For the main duties of the ESG Committee, please refer to the section headed "Business — Environmental, Social and Corporate Governance — Corporate Governance" in this prospectus.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the corporate governance requirements under the Corporate Governance Code after the Listing.

Board Diversity

We seek to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. We have adopted a board diversity policy (the "**Board Diversity Policy**") to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a range of diversity perspectives with reference to our Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry, regional experience and length of service. Furthermore, the Nomination Committee is responsible for reviewing the diversity of our Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the Board Diversity Policy remains effective.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and research and development. They obtained degrees in various majors including mechanical manufacturing engineering, automation, physics, marketing and statistic economics. Furthermore, our Board has a relatively wide range of ages, ranging from 40 years old to 71 years old, and consists of seven male members and two female members. Our Company has reviewed the membership, structure and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operation.

Our Company will, among others, (i) disclose the biographical details of each Director and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report. In particular, our Company will take opportunities to increase the proportion of female members of our Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices. Our Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to our Board. We believe that such merit-based selection process with reference to our Board Diversity Policy and the nature of our business will be in the best interests of our Group and our Shareholders as a whole.

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, he/she did not have any interest in a business which materially competes or is likely to materially compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

COMPENSATION OF DIRECTORS

We offer our Directors remuneration the form of directors' fees, salaries, allowance and other benefits, discretionary bonuses, retirement scheme contribution and share-based compensation. Our Directors' remuneration is determined with reference to the relevant Director's experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions. Our independent non-executive Directors receive emolument based on their responsibilities.

The aggregate amounts of remuneration (including directors' fees, salaries, allowance and other benefits, discretionary bonuses, retirement scheme contributions) which were paid or payable to our Directors for the financial years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025 were RMB6.5 million, RMB6.5 million, RMB6.2 million and RMB4.3 million, respectively.

It is estimated that the aggregate amount of remuneration (including salaries, allowances, benefits in kind, performance related bonuses, retirement scheme contributions, and share-based compensation) payable to our Directors for the financial year ending December 31, 2026 would be approximately RMB7.68 million under arrangements in force as of the date of this prospectus.

For the financial years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, there were nil, nil, 1 and nil Director among the five highest paid individuals, respectively. The aggregate amounts of remuneration (including salaries, allowances, benefits in kind, performance related bonuses, retirement scheme contributions, and share-based compensation) which were paid or payable by our Group to our five highest paid individuals (excluding Director) for the financial years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025 were RMB10.4 million, RMB12.0 million, RMB9.2 million and RMB8.9 million, respectively.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group, (ii) no compensation was paid to, or receivable by, our Directors, past Directors, or the five highest paid individuals for the loss of office as a director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group, and (iii) none of our Directors waived or agreed to waive any emoluments.

Except as disclosed above, no other payment has been paid, or is payable, by our Group to our Directors or the five highest paid individuals of our Group during the Track Record Period.

For additional information on remuneration of Directors during the Track Record Period as well as information on the five highest paid individuals, see Notes 8 and 9 to the Accountants' Report.

Upon Listing, certain transactions between us and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSON

We have entered into certain transactions in the ordinary and normal course of our business with the following connected person, which will constitute continuing connected transactions upon the completion of the Listing:

Connected persons	Connected relationship
Nanjing Primest	One of our Controlling Shareholders
Estun (Nanjing) Medical Technology Co., Ltd. (埃斯頓(南京)醫療科技有限公司) ("**Estun Medical**").	As of the Latest Practicable Date, Mr. Wu, one of our Controlling Shareholders, our executive Director and chief strategic officer, indirectly exercised approximately 61.71% of the voting rights in Estun Medical through Nanjing Primest. Accordingly, Estun Medical is an associate of Mr. Wu and will become our connected person upon completion of the Listing.
Nanjing Estun Codroid Technology Co., Ltd. (南京埃斯頓酷卓科技有限公司) ("**Estun Codroid**")	As of the Latest Practicable Date, Mr. Wu, one of our Controlling Shareholders, our executive Director and chief strategic officer, indirectly exercised approximately 39.07% of the voting rights in Estun Codroid through Nanjing Primest. Accordingly, Estun Codroid is an associate of Mr. Wu and will become our connected person upon completion of the Listing.
Lianyungang Sikesi Robotic Technology Co., Ltd. (連雲港斯克斯機器人科技有限公司) ("**Lianyungang Sikesi**") . .	As of the Latest Practicable Date, Mr. Feng Hutian (馮虎田) ("**Mr. Feng**"), being a former independent director of our Company in the last 12 months, directly and indirectly exercised over 30% of the voting rights in aggregate in Lianyungang Sikesi. Accordingly, Lianyungang Sikesi is an associate of Mr. Feng and will become our connected person upon completion of the Listing. Mr. Feng tendered his resignation on May 28, 2025 to devote more time on pursuing his own personal startup ventures. Further, based on the independent due diligence work conducted, the Sole Sponsor confirms that there was no other matter with respect to the resignation of Mr. Feng that needs to be brought to the attention of the Stock Exchange.
Estun Future Technology Research Institute Co., Ltd, (南京埃斯頓未來技術研究院有限公司) (**"Estun Future"**)	As of the Latest Practicable Date, Estun Future is a wholly-owned subsidiary of Nanjing Primest, one of our Controlling Shareholder. Accordingly, Estun Future is an associate of Estun Primest and will become our connected person upon completion of the Listing.

SUMMARY OF OUR CONNECTED TRANSACTIONS

	Nature of the transaction	Counterparty	Category of the connected transaction	Applicable Listing Rules	Waiver sought
1.	Procurement of Mechanical Material Framework Agreement	Estun Medical	Fully exempt	14A.76(1)(a)	N/A
2.	Property Leasing Framework Agreement I	Nanjing Primest	Fully exempt	14A.76(1)(a)	N/A
3.	Property Leasing Framework Agreement II	Estun Medical	Fully exempt	14A.76(1)(a)	N/A
4.	Property Leasing Framework Agreement III	Estun Codroid	Fully exempt	14A.76(1)(a)	N/A
5.	Property Leasing Framework Agreement IV	Estun Future	Fully exempt	14A.76(1)(a)	N/A
6.	Procurement of Intelligent Components Framework Agreement	Estun Codroid	Partially exempt	14A.76(2) 14A.105	Announcement
7.	Procurement of Mechanical Material Framework Agreement	Lianyungang Sikesi	Partially exempt	14A.76(2) 14A.105	Announcement
8.	Provision of Automatic Core Component Framework Agreement I	Estun Medical	Partially exempt	14A.76(2) 14A.105	Announcement
9.	Provision of Automatic Core Component Framework Agreement II	Estun Codroid	Partially exempt	14A.76(2) 14A.105	Announcement

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Procurement of Mechanical Material Framework Agreement

The Company has entered into a framework agreement with Estun Medical on January 28, 2026 (the "**Procurement of Mechanical Material Framework Agreement**"), pursuant to which the Company agreed to procure basic mechanical materials, including, among others, materials including motor shaft and the material processing services, from Estun Medical as the Company may require from time to time.

The pricing of the materials and processing service from Estun Medical is to be determined by the Company and Estun Medical on normal commercial terms, negotiated on arm's length basis, with reference to, among others, the costs, quantities and quality of the mechanical materials from Estun Medical, the prevailing market conditions and the principle of fairness.

The initial term of the Procurement of Mechanical Material Framework Agreement will commence on the Listing and effective for three years, subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations. The transactions contemplated under the Procurement of Mechanical Material Framework Agreement have been conducted in the ordinary and usual course of business and on normal commercial terms or better. As all of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%, the Procurement of Mechanical Material Framework Agreement will be fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

2. Property Leasing Framework Agreement I

The Company has entered into a framework agreement with Nanjing Primest on January 28, 2026 (the "**Property Leasing Framework Agreement I**"), pursuant to which the Company agreed to lease one property to Nanjing Primest. The rental fees payable by Nanjing Primest is determined by the Company and Nanjing Primest on normal commercial terms, negotiated on arm's length basis, with reference to, among others, (i) the area leased, geographic location and condition of surrounding area; (ii) the prevailing market rent in respect of the property of the same or similar nature in the same region; and (iii) the estimated changes in the prevailing market rent in the future.

The initial term of the Property Leasing Framework Agreement I will commence on the Listing and effective for three years, subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations. The transactions contemplated under the Property Leasing Framework Agreement I have been conducted in the ordinary and usual course of business and on normal commercial terms or better. As all of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%, the Property Leasing Framework Agreement I will be fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

3. Property Leasing Framework Agreement II

The Company has entered into a framework agreement with Estun Medical on January 28, 2026 (the "**Property Leasing Framework Agreement II**"), pursuant to which the Company agreed to lease one property to Estun Medical. The rental fees payable by Estun Medical is determined by the Company and Estun Medical on normal commercial terms, negotiated on arm's length basis, with reference to, among others, (i) the area leased, geographic location and condition of surrounding area; (ii) the prevailing market rent in respect of the property of the same or similar nature in the same region; and (iii) the estimated changes in the prevailing market rent in the future.

The initial term of the Property Leasing Framework Agreement II will commence on the Listing and effective for three years, subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations. The transactions contemplated under the Property Leasing Framework Agreement II have been conducted in the ordinary and usual course of business and on normal commercial terms or better. As all of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%, the Property Leasing Framework Agreement II will be fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

4. Property Leasing Framework Agreement III

The Company has entered into a framework agreement with Estun Codroid on January 28, 2026 (the "**Property Leasing Framework Agreement III**"), pursuant to which the Company agreed to lease one property to Estun Codroid. The rental fees payable by Estun Codroid is determined by the Company and Estun Codroid on normal commercial terms, negotiated on arm's length basis, with reference to, among others, (i) the area leased, geographic location and condition of surrounding area; (ii) the prevailing market rent in respect of the property of the same or similar nature in the same region; and (iii) the estimated changes in the prevailing market rent in the future.

The initial term of the Property Leasing Framework Agreement III will commence on the Listing and effective for three years, subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations. The transactions contemplated under the Property Leasing Framework Agreement III have been conducted in the ordinary and usual course of business and on normal commercial terms or better. As all of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%, the Property Leasing Framework Agreement III will be fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

5. Property Leasing Framework Agreement IV

The Company has entered into a framework agreement with Estun Future on January 28, 2026 (the "**Property Leasing Framework Agreement IV**"), pursuant to which the Company agreed to lease one property to Estun Future. The rental fees payable by Estun Future is determined by the Company and Estun Future on normal commercial terms, negotiated on arm's length basis, with reference to, among others, (i) the area leased, geographic location and condition of surrounding area; (ii) the prevailing market rent in respect of the property of the same or similar nature in the same region; and (iii) the estimated changes in the prevailing market rent in the future.

The initial term of the Property Leasing Framework Agreement IV will commence on the Listing and effective for three years, subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations. The transactions contemplated under the Property Leasing Framework Agreement IV have been conducted in the ordinary and usual course of business and on normal commercial terms or better. As all of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%, the Property Leasing Framework Agreement IV will be fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

Further, since the continuing connected transactions contemplated under the Property Leasing Framework Agreement I, II, III and IV are similar in nature and taking into account the association of Mr. Wu and Estun Primest, one of our Controlling Shareholders, such transactions should be aggregated pursuant to Rule 14A.81 of the Listing Rules. Given that the transactions contemplated under the Property Leasing Framework Agreement I, II, III and IV have been conducted in the ordinary and usual course of business and on normal commercial terms or better, and as the highest applicable percentage ratio calculated after the aggregation is less than 0.1%, the transactions contemplated under the Property Leasing Framework Agreement I, II, III and IV will be fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Procurement of Intelligent Components Framework Agreement

Principal Terms

On January 28, 2026, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the "**Procurement of Intelligent Components Framework Agreement**") with Estun Codroid, pursuant to which, our Group will procure from Estun Codroid products including intelligent core components and joint modules.

The initial term of the Procurement of Intelligent Components Framework Agreement will commence on the Listing and effective for one year. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Procurement of Intelligent Components Framework Agreement.

Reasons for the Transaction

Our Group has been purchasing such materials from Estun Codroid during the Track Record Period in the ordinary and usual course of our business. Our Group and Estun Codroid has therefore established a stable business relationship, and Estun Codroid has acquired a comprehensive understanding of our business and operational requirements of the materials and processing service that we need.

Therefore, we believe it is in the best interest of the Group and our Shareholders as a whole to continue to procure such materials from Estun Codroid which is capable of fulfilling our demands with a stable and high-quality supply of intelligent core components and joint modules on terms which are similar to or better than those offered by Independent Third Parties.

Consideration and Pricing Policies

The fee charged by Estun Codroid for the materials to be supplied to our Group pursuant to the Procurement of Intelligent Components Framework Agreement shall be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness, taking into account various factors including but not limited to the type of materials, transaction volume and the prices for the procurement of materials of similar nature, type and quantity by our Group to other Independent Third Parties in the market.

Historical Amounts

For the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, the historical transaction amounts with respect to our procurement of the materials and processing service from Estun Codroid were approximately RMB0, RMB0, RMB7.7 million and RMB12.7 million, respectively. The fluctuation to the historical transaction amount was primarily due to the fact that Estun Codroid was established in July 2022 and our Group only commenced to procure intelligent core components and joint modules from Estun Codroid in 2024.

Annual Caps

We expect the maximum aggregate amount payable by our Group to Estun Codroid under the Procurement of Intelligent Components Framework Agreement for the year ending December 31, 2026 to be as follows:

For the year ending December 31,
2026
(RMB'000)
22,000

The proposed annual cap, which is higher than the historical transaction amounts, is determined based on:

(i) the historical amounts of the transactions between the Group and Estun Codroid during the Track Record Period in respect of the supply of intelligent core components and joint modules; and

(ii) the expected increase in the demand of our Group for the intelligent core components and joint modules, considering our plan and effort to enhance our production volume.

Listing Rules Implications

As the highest applicable percentage ratio of the transactions under the Procurement of Intelligent Components Framework Agreement for the year ending December 31, 2026, calculated for the purpose of Chapter 14A of the Listing Rules is higher than 0.1% but below 5% on an annual basis, such transactions will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules but exempt from the independent Shareholders' approval requirements under Rule 14A.36 of the Listing Rules.

2. Procurement of Mechanical Material Framework Agreement

Principal Terms

On January 28, 2026, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the "**Procurement of Mechanical Material Framework Agreement**") with Lianyungang Sikesi, pursuant to which, our Group will procure from Lianyungang Sikesi mechanical materials including ball screw spline.

The initial term of the Procurement of Mechanical Material Framework Agreement will commence on the Listing and end on December 31, 2026. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Procurement of Mechanical Material Framework Agreement.

Reasons for the Transaction

Our Group has been purchasing such materials from Lianyungang Sikesi during the Track Record Period in the ordinary and usual course of our business. Our Group and Lianyungang Sikesi have therefore established a long-term and stable business relationship, and Lianyungang Sikesi has acquired a comprehensive understanding of our business and operational requirements of the materials and processing service that we need.

Therefore, we believe it is in the best interest of the Group and our Shareholders as a whole to continue to procure such materials from Lianyungang Sikesi which is capable of fulfilling our demands with a stable and high-quality supply of materials and processing service on terms which are similar to or better than those offered by Independent Third Parties.

Consideration and Pricing Policies

The fee charged by Lianyungang Sikesi for the materials to be supplied to our Group pursuant to the Procurement of Mechanical Material Framework Agreement shall be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness, taking into account various factors including but not limited to the type of materials, transaction volume and the prices for the procurement of materials of similar nature, type and quantity by our Group to other Independent Third Parties in the market.

Historical Amounts

For the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, the historical transaction amounts with respect to our procurement of the materials and processing service from Lianyungang Sikesi were approximately RMB0, RMB1.2 million, RMB6.7 million and RMB6.2 million, respectively. The fluctuation to the historical transaction amount was primarily due to the fact that the mechanical materials involved were originally imported materials where our Group had decided to substitute the mechanical materials to domestic production since 2023 gradually so as to lower our production cost.

Annual Caps

We expect the maximum aggregate amount payable by our Group to Lianyungang Sikesi under the Procurement of Mechanical Material Framework Agreement for the years ending December 31, 2026[(1)] to be as follows:

For the year ending December 31,
2026
(RMB'000)
16,000

The proposed annual caps, which are higher than the historical transaction amounts, are determined based on:

(i) the historical amounts of the transactions between the Group and Lianyungang Sikesi during the Track Record Period in respect of the supply of the mechanical materials; and

(ii) the expected increase in the demand of our Group for the mechanical materials due to the fact that the Group is gradually substitute the procurement of mechanical materials to domestic production.

Note:

(1) Lianyungang Sikesi becomes our connected person only because Mr. Feng, being a former independent director of our Company in the last 12 months, directly exercised over 30% of the voting rights in Lianyungang Sikesi. Since Mr. Feng will no longer be our connected person after the twelve-months period, the transaction between Lianyungang Sikesi and our Company will no longer constitute a connected transaction and therefore annual cap for the year ending December 31, 2027 and 2028 are not included in this prospectus.

Listing Rules Implications

As the percentage ratio of the transactions under the Procurement of Mechanical Material Framework Agreement for the year ending December 31, 2026 calculated for the purpose of Chapter 14A of the Listing Rules is higher than 0.1% but below 5% on an annual basis, such transactions will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules but exempt from the independent Shareholders' approval requirements under Rule 14A.36 of the Listing Rules.

3. Provision of Automatic Core Component Framework Agreement I

Principal Terms

On January 28, 2026, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the "**Provision of Automatic Core Component Framework Agreement I**") with Estun Medical, pursuant to which, our Group will provide automatic core components (including motor shaft and motor rotor) to Estun Medical.

The initial term of the Provision of Automatic Core Component Framework Agreement I will commence on the Listing and effective for three years. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Provision of Automatic Core Component Framework Agreement I.

Reasons for the Transaction

Our Group has been providing automatic core components to Estun Medical during the Track Record Period in the ordinary and usual course of our business. Our Group and Estun Medical has therefore established a long-term and stable business relationship. We are not and will not be bound to collaborate with Estun Medical, and we will only manufacture and provide the required products to Estun Medical if we consider it is in the interests of our Company and Shareholders as a whole. Such collaboration with Estun Medical not only brings our Group additional sales but also the opportunities to expand our reach and further promote our offerings, we therefore consider the Provision of Automatic Core Component Framework Agreement I to be consistent with the business and commercial objectives of our Company.

Consideration and Pricing Policies

The fee to be charged on Estun Medical for the automatic core component to be procured from our Group pursuant to the Provision of Automatic Core Component Framework Agreement I shall be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness, taking into account various factors including but not limited to the type of materials, transaction volume and the prices for the procurement of materials of similar nature, type and quantity by our Group to other Independent Third Parties in the market.

Historical Amounts

For the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, the historical transaction amounts with respect to us providing the materials and processing service to Estun Medical were approximately RMB3.6 million, RMB6.2 million, RMB2.3 million and RMB0.4 million, respectively. The fluctuation to the historical transaction amount was primarily due to the fact that in 2023, apart from the provision of automatic core components to Estun Medical, our Group had also provided certain technical service to Estun Medical.

Annual Caps

We expect the maximum aggregate amount payable by Estun Medical to our Group under the Provision of Automatic Core Component Framework Agreement I for the years ending December 31, 2026, 2027 and 2028 to be as follows:

For the year ending December 31,		
2026	**2027**	**2028**
(RMB'000)	*(RMB'000)*	*(RMB'000)*
1,000	1,000	1,000

The proposed annual caps are determined based on:

(i) the historical amounts of the transactions between the Group and Estun Medical during the Track Record Period in respect of the provision of automatic core components; and

(ii) the expected decrease in demand of Estun Medical on such automatic core components after taking into consideration the actual transaction amount as of September 30, 2025.

Listing Rules Implications

Since the continuing connected transactions contemplated under the Provision of Automatic Core Component Framework Agreement I & II (see below) are similar in nature and taking into account the association of Mr. Wu, one of our Controlling Shareholders, our executive Director and chief strategic officer, such transactions should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio of the transactions under the Provision of Automatic Core Component Framework Agreement I and II for the years ending December 31, 2026, 2027 and 2028 calculated for the purpose of Chapter 14A of the Listing Rules is higher than 0.1% but below 5% on an annual basis, such transactions will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules but exempt from the independent Shareholders' approval requirements under Rule 14A.36 of the Listing Rules.

4. Provision of Automatic Core Component Framework Agreement II

Principal Terms

On January 28, 2026, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the "**Provision of Automatic Core Component Framework Agreement II**") with Estun Codroid, pursuant to which, our Group will provide automatic core components to Estun Codroid.

The initial term of the Provision of Automatic Core Component Framework Agreement II will commence on the Listing and effective for three years. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Provision of Automatic Core Component Framework Agreement II.

Reasons for the Transaction

Our Group has been providing automatic core components to Estun Codroid during the Track Record Period in the ordinary and usual course of our business. Our Group and Estun Codroid has therefore established a long-term and stable business relationship. We are not and will not be bound to collaborate with Estun Codroid, and we will only manufacture and provide the required products to Estun Codroid if we consider it is in the interests of our Company and Shareholders as a whole. Such collaboration with Estun Codroid not only brings our Group additional sales but also the opportunities to expand our reach and further promote our offerings, we therefore consider the Provision of Automatic Core Component Framework Agreement II to be consistent with the business and commercial objectives of our Company.

Consideration and Pricing Policies

The fee to be charged on Estun Codroid for the automatic core component to be procured from our Group pursuant to the Provision of Automatic Core Component Framework Agreement II shall be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness, taking into account various factors including but not limited to the type of materials, transaction volume and the prices for the procurement of materials of similar nature, type and quantity by our Group to other Independent Third Parties in the market.

Historical Amounts

For the years ended December 31, 2022, 2023, 2024 and nine months ended September 30, 2025, the historical transaction amounts with respect to us providing the materials and processing service to Estun Codroid were approximately RMB0, RMB0.2 million, RMB3.5 million and RMB3.3 million, respectively. The fluctuation to the historical transaction amount was primarily due to the fact that Estun Codroid was established in July 2022 and our Group only commenced to provide automatic core component to Estun Codroid in 2023 and the scale of business cooperation gradually increase as per the development of Estun Codroid.

Annual Caps

We expect the maximum aggregate amount payable by Estun Codroid to our Group under the Provision of Automatic Core Component Framework Agreement II for the years ending December 31, 2026, 2027 and 2028 to be as follows:

For the year ending December 31,		
2026	**2027**	**2028**
(RMB'000)	*(RMB'000)*	*(RMB'000)*
4,000	3,000	3,000

The proposed annual caps, which are slightly higher than the historical transaction amounts, are determined based on:

(i) the historical amounts of the transactions between the Group and Estun Codroid during the Track Record Period in respect of the provision of automatic core components; and

(ii) the expected gradual decrease in demand of Estun Codroid on automatic core components due to the diversification of suppliers basis by Estun Codriod.

Listing Rules Implications

Since the continuing connected transactions contemplated under the Provision of Automatic Core Component Framework Agreement I & II are similar in nature and taking into account the association of Mr. Wu, one of our Controlling Shareholders, our executive Director and chief strategic officer, such transactions should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio of the transactions under the Provision of Automatic Core Component Framework Agreement I and II for the years ending December 31, 2026, 2027 and 2028 calculated for the purpose of Chapter 14A of the Listing Rules is higher than 0.1% but below 5% on an annual basis, such transactions will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules but exempt from the independent Shareholders' approval requirements under Rule 14A.36 of the Listing Rules.

INTERNAL CONTROL PROCEDURES ADOPTED BY THE COMPANY IN RESPECT OF THE IMPLEMENTATION OF CONTINUING CONNECTED TRANSACTION FRAMEWORK AGREEMENTS

Our Group adopts the following internal control measures to ensure that the transactions will be carried out in accordance with the terms of the aforementioned framework agreements, including the pricing policies, and in compliance with all the applicable requirements under the Listing Rules:

- we have adopted a connected transactions management policy for the purpose of ensuring that connected transactions under the framework agreement will be conducted in a fair manner, on normal commercial terms and in the interests of our Company and our Shareholders as a whole;

- prior to the execution of the underlying agreements under the Procurement of Intelligent Components Framework Agreement, Procurement of Mechanical Material Framework Agreement, Provision of Automatic Core Component Framework Agreement I and Provision of Automatic Core Component Framework Agreement II (the "**Partially Exempted Framework Agreements**"), the operation department of the relevant business sector of our Group will compare the terms of the proposed transactions (including pricing and other contractual terms) with those similar transactions entered with Independent Third Parties or the terms offered to or by Independent Third Parties (as the case may be) to ensure that the terms of agreements under the Partially Exempted Framework Agreements shall be no less favourable to our Group than terms between our Group and the Independent Third Parties;

- the finance team of our Group shall regularly examine the pricing of the transactions under the Partially Exempted Framework Agreements to ensure that those transactions are conducted in accordance with the pricing terms therein;

- the internal control team of our Group shall periodically review the pricing of the transactions under the Partially Exempted Framework Agreements against the prices negotiated between our Group and Independent Third Parties for similar products, to ensure that the terms of the agreements under the Partially Exempted Framework Agreements are not less favourable to our Group than terms between our Group and the Independent Third Parties;

- the finance and business teams of our Group shall periodically monitor the transaction amount under the Partially Exempted Framework Agreements and, when it is expected that the transaction amount might exceed the annual cap, promptly report in accordance with our Group's connected transactions management policy to ensure that the Company complies with all the applicable requirements under the Listing Rules, including to revise the relevant annual cap when appropriate;

- the legal team of our Group has reviewed the terms of the Partially Exempted Framework Agreements and shall in case of any proposed change to the major terms of the transactions, ensure that the Company complies with all the applicable requirements under the Listing Rules, including but not limited to publishing an announcement; and

- our Independent Non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmations in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.

WAIVER

In respect of the transactions as contemplated under the Partially Exempted Framework Agreements as described above, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules.

DIRECTORS' CONFIRMATION

Our Directors (including Independent Non-executive Directors) are of the view that: (i) the continuing connected transactions set out above have been and will be entered into our ordinary and usual course of business on normal commercial terms or better, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, and (ii) the proposed annual caps for these transactions are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

SPONSOR'S CONFIRMATION

The Sponsor has (i) reviewed the relevant documents and information provided by the Company in relation to the above partially-exempt continuing connected transactions; (ii) obtained necessary representations and confirmations from the Company and Directors, and (iii) participated in the due diligence and discussions with the management of the Group.

Based on the above, the Sponsor is of the view that the aforesaid partially-exempt continuing connected transactions, for which a waiver has been sought, has been entered into in the ordinary and usual course of our business on normal commercial terms or better terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and that the proposed annual caps in respect of the partially-exempt continuing connected transactions are fair and reasonable and in the interests of the Company and our Shareholders as a whole.

So far as our Directors are aware, immediately following the completion of the Global Offering without taking into account any H Shares which may be issued pursuant to the exercise of the Over-allotment Option and any A Shares to be issued upon exercise under the 2025 Share Option Scheme, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in the relevant type of Shares immediately prior to the Global Offering[(1)]	Approximate percentage of shareholding in the total share capital of our Company immediately after the Global Offering[(2)]
Mr. Wu	Beneficial Owner	A Shares	110,996,700	12.74%	11.47%
	Interest in Controlled Corporation	A Shares	254,894,742[(3)]	29.26%	26.34%
Nanjing Primest	Beneficial Owner	A Shares	254,894,742[(3)]	29.26%	26.34%
Ms. Liu Fang	Spousal interest	A Shares	365,891,442	42.01%	37.81%

Notes:

(1) The calculation is based on the total number of 871,018,453 A Shares in issue as of the Latest Practicable Date.

(2) The calculation is based on the total number of 967,798,453 Shares in issue immediately following the completion of the Global Offering, without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option and options granted under the 2025 Share Option Scheme.

(3) Pursuant to a financing arrangement dated May 21, 2025, a financial institution lent a loan amounting to RMB50 million to Nanjing Primest at an annual interest rate of 3.0% and Nanjing Primest pledged 11,000,000 A Shares in our Company to the lending financial institution as security (the "**Share Charge**"). The major terms and material covenants of the financing arrangement are listed out as follows:

Term and maturity date:	From May 30, 2025 to May 14, 2026
Loan amount and interest rate:	RMB50 million at an annual interest rate of 3.0%
Interest payment:	Interests shall be paid in five installments on June 21, 2025, September 21, 2025, December 21, 2025, March 21, 2026, and May 14, 2026, respectively
Enforcement of security:	The Share Charge is enforceable upon the occurrence of events of default
Release of the Share Charge:	The Share Pledge will be released upon the repayment of the loan

Events of default:	(i)	Nanjing Primest fails to repay the loan amount or extends the loan term on the maturity date;
	(ii)	Nanjing Primest fails to pay the interests by installment on the agreed interest payment dates;
	(iii)	Nanjing Primest fails to make early redemption or take agreed-upon measures (such as providing additional pledge) if requested by the lender when the pledge ratio falls below the liquidation threshold as agreed; or
	(iv)	Nanjing Primest breached the covenants in the financing arrangements, including but not limited to the representations and warranties made by Nanjing Primest.

Nanjing Primest has genuine funding requirements from time to time. Pledging A Shares held by Nanjing Primest is a typical kind of collateral to support its external financing. The aforementioned loan that Nanjing Primest secured by share pledges in respect of the A Shares it holds are subject to pledge ratio requirements that normally would only be triggered by a material depression in value of our A Shares. Nevertheless, Nanjing Primest can choose to repay a portion of the relevant outstanding loans and/or provide additional margin funds to avoid having to pledge additional Shares in respect of such loan. Nanjing Primest will only pledge additional Shares to the extent permissible under the Hong Kong Listing Rules and further announcement(s) will be made by the Company as and when appropriate and required under the Hong Kong Listing Rules.

To the best knowledge of our Directors having made all reasonable enquiries, there has not been any adverse credit records against Nanjing Primest in respect of any breach of repayment obligations under its indebtedness.

For details of the substantial Shareholders who will be, directly and/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 meeting of any other member of our Group, please refer to the section headed "Appendix VI — Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 1. Disclosure of Interests — (b) Interests of the Substantial Shareholders."

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and options granted under the 2025 Share Option Scheme are not exercised), without taking into account the Offer Shares that may be taken up under the Global Offering, have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

This section presents certain information regarding our share capital prior to and upon the completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered share capital of our Company was RMB871,018,453 comprising 871,018,453 A Shares with a nominal value of RMB1.00 each, which are all listed on the Shenzhen Stock Exchange.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no A shares are issued pursuant to the exercise of options under the 2025 Share Option Scheme, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital
		(%)
A Shares	871,018,453	90%
H Shares to be issued pursuant to the Global Offering	96,780,000	10%
Total	**967,798,453**	**100%**

Immediately upon completion of the Global Offering, assuming the Over-allotment Option is fully exercised and no A shares are issued pursuant to the exercise of options under the 2025 Share Option Scheme, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital
		(%)
A Shares	871,018,453	88.67%
H Shares to be issued pursuant to the Global Offering	111,297,000	11.33%
Total	**982,315,453**	**100%**

OUR SHARE

Our H Shares in issue upon completion of the Global Offering, 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 Chinese Mainland and Hong Kong. Our A Shares can be subscribed for and traded by Chinese Mainland investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under Shenzhen-Hong Kong Stock Connect, 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 subscribed for or traded 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 subscribed for and traded by Chinese Mainland investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

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.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the Global Offering. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dual listed in the PRC 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 A Shareholders may convert A shares held by them into H shares for listed and traded on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE GLOBAL OFFERING

We have obtained approval from our holders of A Shares to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. Such approval was obtained at the Shareholders' general meeting of our Company held on June 20, 2025 upon, among other things, the following major terms:

(1) Size of the offer

The proposed number of H Shares to be offered initially shall not exceed 15% of the total number of issued Shares as enlarged by the H Shares to be issued pursuant to the Global Offering and before the exercise of the Over-allotment Option. The number of H Shares to be issued pursuant to the exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered initially pursuant to the Global Offering.

(2) Method of offering

The method of offering shall be by way of a public offer for subscription in Hong Kong and an international offering to institutional and professional investors.

(3) Target investors

The H Shares shall be issued to overseas professional organizations, institutions, individual investors, the public and other eligible investors.

(4) Price determination basis

The issue price of the H Shares will be determined after due consideration of, among others, the interests of existing Shareholders, the acceptance of investors and the risks related to the offering and in accordance with international practices through the demands for orders and book-building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(5) Validity period

The approval is valid for 24 months from the date of passing of the resolutions at the Shareholders' general meeting of our Company held on June 20, 2025.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders' general meeting is required, please refer to the sections headed "Appendix IV — Summary of Principal Legal and Regulatory Provisions" and "Appendix V — Summary of the Articles of Association".

The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this Prospectus, including but not limited to the sections headed "Risk Factors" and "Business."

For the purposes of this section, unless the context otherwise requires, references to the years of 2022, 2023 and 2024 refer to the years ended December 31 of such years.

OVERVIEW

We are a leading industrial robotics company in China. We had ranked first among domestic manufacturers in China's industrial robotic solutions market for years, in terms of industrial robot shipment volume, according to Frost & Sullivan. This trajectory culminated in a historic milestone in the first nine months of 2025, when we became the first domestic manufacturer to secure the top market position in China in terms of industrial robot shipment volume, according to the same source. We are also among the top industrial robotics companies in terms of revenue, ranking sixth in both the global market and China's market in terms of revenue in 2024 among all manufacturers, with a market share of 1.7% and 2.0%, respectively. Through strategic acquisitions worldwide, proprietary core technologies and efficient commercialization capabilities, we have established competitive advantages in industrial robotics characterized by our multi-brand portfolio synergy, comprehensive application coverage and global market penetration. We provide a comprehensive product portfolio, including fully assembled industrial robots and intelligent manufacturing systems that embody cutting-edge innovation, as well as core automation components and motion control systems that serve as essential pillars of industrial robotics. During the Track Record Period, our revenue amounted to RMB3,880.8 million, RMB4,651.9 million, RMB4,008.8 million, RMB3,370.3 million and RMB3,803.6 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively.

BASIS OF PRESENTATION

Our financial information during the Track Record Period has been prepared in accordance with IFRS Accounting Standards.

Our financial information during the Track Record Period has been prepared under the historical cost convention, except for financial assets measured at fair value through other comprehensive income ("**FVOCI**"), financial assets measured at fair value through profit or loss ("**FVPL**") and derivative financial instruments, which have been measured at fair value.

We have adopted all applicable new and revised IFRS to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. See Note 1 to the Accountants' Report included in Appendix I to this prospectus.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business and results of operations are affected by the general factors that impact our total addressable market, including, among others, overall economic growth in China and globally, technological advancement and competitive landscape in the industry in which we operate, geopolitical relations, regulatory oversight and government policies. Changes in any of these general factors could affect the demand for our products and our results of operations.

In addition to the general factors mentioned above, we believe our results of operations are more directly affected by the following specific factors:

Demand for industrial robots and intelligent manufacturing systems

We are a leading industrial robotics company in China, serving a diverse customer base across both traditional industries and emerging high-growth sectors. During the Track Record Period, our customers spanned traditional industries such as construction machinery, packaging and logistics, and construction materials and furniture, as well as emerging sectors including automotive manufacturing, lithium-battery production, and photovoltaics ("**PV**"). As of the Latest Practicable Date, our product portfolio comprised 96 models, encompassing a full range of general-purpose and application-specific robots with advanced process capabilities, enabling us to meet the varied demands of these industries. In the first half of 2025, we became the first domestic manufacturer to secure the top market position in China in terms of industrial robot shipment volume, according to Frost & Sullivan. Consequently, our revenue growth is closely tied to the global demand for industrial robots and intelligent manufacturing systems.

The global industrial robotic solutions market represents substantial growth potential. Driven by accelerated advancements in industrial automation and the ongoing transition toward intelligent and sustainable manufacturing practices, the market size of the global industrial robotic solutions market, in terms of revenue, is expected to grow at a CAGR of 15.4% from USD25.4 billion in 2024 to USD51.8 billion in 2029. For further details on the market size and development trends, see "Industry Overview — Overview of the Global Industrial Robotic Solutions Market." As a leading industrial robotics company in China with an established presence in global markets, we are well-positioned to capitalize on this robust market growth and achieve sustained long-term revenue expansion.

In addition, our financial performance is positively correlated with the growth of downstream sectors, as these industries drive demand for industrial robotic solutions through their expanding investments and purchasing activities. Through our ongoing investment in core technologies and our extensive product portfolio designed to address a broad range of application scenarios and payload requirements, we can effectively serve a wide spectrum of industries and rapidly adapt to the diverse needs of customers across various sectors. This flexibility strengthens our business resilience against economic cycles and mitigates risks associated with fluctuations in specific downstream industries. In the event of fluctuations in demand from certain sectors, we are able to swiftly pivot toward emerging markets with substantial growth potential.

Continuous Advancement of Core Technologies

The industrial robotics industry is experiencing a notable shift toward intelligentization, where the seamless combination of robotic hardware with advanced digital ecosystems has emerged as a critical success factor, according to Frost & Sullivan. Companies equipped with cutting-edge technologies in these domains are well-positioned to gain competitive advantages. Core technologies underpinning industrial robot production and solutions typically include robot controller technologies, motion control technologies and robot functional safety technologies. The continuous development and accumulation of these core technologies play a pivotal role in enhancing product functionality and differentiation. We have cultivated a comprehensive suite of core technologies, ranging from precision-engineered mechanical designs optimized for payload and accuracy to state-of-the-art software platforms that support remote monitoring, predictive maintenance, and real-time process optimization. Over the years, we have built a substantial portfolio of intellectual property rights and proprietary technologies, which serve as formidable technical barriers to entry and form the foundation of our long-term competitiveness in the industrial robotic solutions market.

Our ability to maintain leadership and drive innovation in the industrial robotics industry is inherently tied to our investments in emerging technologies. Recognizing the critical importance of research and development, we have allocated and will continue to allocate significant resources to R&D activities. In 2022, 2023, 2024 and the first nine months of 2024 and 2025, our R&D expenditures (including our research and development expenses and investment in R&D activities which was capitalized) amounted to RMB401.6 million, RMB504.1 million, RMB502.9 million, RMB349.6 million and RMB354.2 million, respectively. Guided by the principles of "core technology independence" and "application-driven innovation," we are committed to pursuing advancements that balance technological depth with industry relevance.

In the future, our R&D efforts will concentrate on high-speed, high-precision motion control systems, intelligent robotics algorithms, and the development of industry-specific software toolkits. In addition, we plan to further our R&D efforts for industrial robots specifically designed to operate under harsh working conditions. We also plan to expand the application of industrial robotics and motion control technologies to high-growth downstream sectors such as automotive and semiconductors. These sectors present technical challenges and are witnessing increasing trends toward import substitution, creating a substantial opportunity for us to reinforce our technological leadership and capture additional market share. We believe these initiatives, if successfully executed, will have a direct and positive impact on both our revenue growth and gross profit margins. However, despite our track record of maintaining technological leadership, there is no guarantee that our R&D initiatives will achieve the desired results. Any failure to meet our R&D objectives could materially and adversely affect our financial position and operating results. For details, see "Risk Factors — Risks Relating to Our Industry and Business — Developments in alternative technologies and products may adversely affect the demand for our industrial robotics products."

Strengthening Our Global Market Presence

In the past, the global industrial robotic solutions market was largely dominated by international brands. However, in recent years, industrial robotics companies from China, including our Company, have emerged as a significant force in the global market. According to Frost & Sullivan, the industrial robotic solutions market in China contributed more than half of the global industrial robotic solutions market in terms of the shipment volume of industrial robots in 2024, and the proportion is expected to reach 64.2% by 2029. Recognizing this favorable market trend, we have strategically allocated greater resources toward expanding our overseas sales efforts over the past few years. In 2022, 2023, 2024 and the first nine months of 2024 and 2025, our revenue generated from overseas markets amounted to RMB1,312.2 million, RMB1,594.4 million, RMB1,369.6 million, RMB1,139.3 million and RMB1,117.7 million, respectively, accounting for 33.8%, 34.3%, 34.2%, 33.8% and 29.4% of our total revenue for the same periods. While our revenue from overseas markets declined in 2024, primarily due to a weaker performance in the construction machinery sector compared to 2023, expanding our global market share remains a cornerstone of our growth strategy and a critical driver of our financial performance.

The global industrial robotic solutions market remains highly competitive, with both established international brands and emerging regional players actively competing for market share. Competitors differentiate themselves across several key factors, including technology innovation, product reliability, pricing strategies, and the ability to provide localized solutions tailored to specific customer needs. Many international brands leverage their longstanding reputations and extensive global distribution networks to maintain their positions, while emerging players increasingly rely on technological innovation and operational agility to cater to the evolving demands of local markets. As the market evolves, our ability to navigate these competitive pressures and differentiate our products remains critical to sustaining our revenue growth and expanding our global market presence.

In this regard, we have invested in subsidiaries and associates in markets with high growth potential, enabling us to deepen our understanding of local markets and better align our product strengths with evolving customer demands. We also implement a multi-brand strategy to harness the unique strengths of each brand in our portfolio. Estun serves as the cornerstone of our product offerings, covering a comprehensive range of industrial robots along with selected core automation components. Trio is dedicated to motion control systems, delivering precision and performance for demanding applications. Cloos focuses on welding industrial robots and end-to-end welding solutions, while M.A.i specializes in intelligent manufacturing systems, enabling smart and integrated production processes. We believe this strategic alignment of our brands allows us to address diverse customer needs more effectively, enhancing customer loyalty and supporting sustainable revenue growth across multiple markets.

Ability to Successfully Integrate Acquired Businesses

Strategic acquisitions are a core component of our long-term growth strategy, enabling us to integrate emerging technologies, diversify our product offerings, and strengthen our competitive positioning. Through the acquisition of businesses with proven track records and strong positions within their respective market segments, we aim to enhance our capabilities across the entire value chain and establish comprehensive service capabilities. These acquisitions allow us to incorporate technologies from the acquired businesses, generating synergies that strengthen our overall competitive advantages. We acquired M.A.i, a German company focused on intelligent manufacturing systems, in 2017, to strengthen our presence in smart manufacturing. In 2017, we acquired Trio, a manufacturer based in the U.K specializing in motion controllers. By leveraging Trio's extensive expertise and know-how in motion control, we expanded our product portfolio in motion control systems and accelerated the development of other core automation components. Similarly, in 2020, we entered the global premium arc-welding market by acquiring Cloos, a Germany-based company specializing in welding robotics with an established international presence. This acquisition enabled us to combine Cloos' strong global brand awareness with our supply chain efficiency in China, allowing us to penetrate the premium arc-welding sector and significantly strengthen the global presence of our Group.

As a result of these acquisitions, we have recognized goodwill amounting to RMB1,485.7 million, RMB1,485.7 million, RMB1,104.1 million and RMB1,044.6 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. We have made significant progress in consolidating our acquired businesses, which has accelerated our global expansion and strengthened our ability to build sustainable international competitiveness. While these efforts have enabled us to expand our global brand presence through sustained overseas sales, we are subject to risks associated with such acquisitions, some of which are beyond our control, such as the recognition of impairment losses on goodwill. We recorded impairment losses on goodwill of RMB344.9 million in 2024, which was primarily attributable to the underperformance of certain subsidiaries driven by reduced demand from specific downstream sectors, including heavy industry. This emphasizes the importance of our ability to effectively integrate acquired businesses and achieve the anticipated synergies.

To address these challenges, we have established a disciplined approach to mergers and acquisitions and post-acquisition integration. We thoroughly analyze the strengths of each acquired business and strategically leverage their distinct advantages. By doing so, we enhance our overall operational efficiency and market competitiveness globally. Our commitment to disciplined capital allocation and effective post-acquisition integration reflects our focus on mitigating risks while achieving sustainable growth. For the risks associate with our acquired business, see "Risk Factors — Risks Relating to Our Industry and Business — Our investments and acquisitions may not achieve the intended benefits and may expose us to various operational, financial, and regulatory risks."

Enhancing and Optimizing Our Global Sales and Service Capabilities

We have built an extensive global sales and service network that integrates direct sales channels with a distribution network, enabling us to deliver comprehensive and localized support to end users across a wide range of regions. By consistently expanding and refining this network, we enhance our ability to reach customers effectively, strengthen long-term relationships, and drive sustainable growth in sales and market presence.

As of September 30, 2025, our global sales force comprised 763 professionals globally. Our global sales teams not only ensure efficient and high-quality service delivery but also serve as a vital link to the market, offering direct, actionable insights into customer needs and evolving industry trends. These insights empower us to stay responsive to market dynamics and continuously refine our strategies to maintain a competitive edge. To support timely and localized assistance, we operate 75 service sites worldwide as of September 30, 2025, enabling us to respond efficiently to customer needs across different regions.

Looking forward, we remain focused on further strengthening and expanding our global sales and service capabilities. We will embrace localized service models and continue to leverage China's robust ecosystems. Supported by strong domestic manufacturing capabilities and huge population of engineers, we are establishing global delivery centers and expanding our global sales and service network, creating a global matrix of R&D, delivery, and service network. In parallel, we will continue to invest in our multi-brand strategy to address diverse customer segments more effectively and raise the global profile of our Group. Together, these initiatives position us to achieve sustainable growth and reinforce our leadership in the industrial robotics industry.

Ability to Maintain and Improve Cost and Operating Efficiency

Our ability to achieve and maintain profitability depends on our capability to manage costs and expenses effectively while enhancing operating efficiency. In particular, improving our operating leverage and optimizing cost structures are critical to our financial performance. In 2022, 2023, 2024 and the first nine months of 2024 and 2025, our cost of sales amounted to RMB2,604.6 million, RMB3,196.9 million, RMB2,874.7 million, RMB2,364.1 million and RMB2,732.9 million, respectively. In particular, our costs of raw materials and components amounted to RMB2,180.8 million, RMB2,719.6 million, RMB2,347.7 million, RMB1,963.0 million and RMB2,279.8 million, respectively, in 2022, 2023, 2024 and the first nine months of 2024 and 2025, accounting for 83.7%, 85.1%, 81.7%, 83.0% and 83.4% of our total cost of sales in the same periods. Key raw materials and components used in the manufacturing of our products include reducers, valve blocks, large non-standard fabricated components as well as tooling and fixture equipment.

Effectively controlling the costs of raw materials and components, particularly as we scale up production volumes, has had and will continue to have a significant impact on our financial results. We have gradually transitioned certain materials previously outsourced to in-house production for cost reduction purposes. We expect that, in the future, the absolute value of cost of sales will increase in line with the revenue growth. However, we aim to increase our gross profit margin by continuously optimizing the design of our solutions and products to improve cost efficiency. In addition, we intend to implement a range of cost optimization and efficiency enhancement initiatives, including strategic adjustments to pricing, supply chain optimization, increased localization of components, and the adoption of lean manufacturing practices. These initiatives aim to strengthen our operational resilience and improve financial performance.

In addition to cost control, our ability to streamline operations across our business will play a key role in enhancing overall operating efficiency. Effective management of operating expenses is critical to achieving optimal efficiency and sustaining our profitability. As our business continues to grow and scale, we expect to benefit from significant operating leverage, enabling us to realize structural cost savings. Moreover, the ongoing growth of our business and the expansion of our market share are expected to further enhance our economies of scale, contributing to long-term financial sustainability and improved operational efficiency.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management will continually evaluate such estimates, assumptions and judgments based on experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between 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 in these estimates and assumptions in the foreseeable future.

Set forth below are discussions of the accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Other material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial position and results of operations, are set forth in detail in Notes 2 and 3 to the Accountants' Report in Appendix I to this prospectus.

Material Accounting Policies

Revenue and other income

Income is classified by our Group as revenue when it arises from the sale of goods, the provision of services, or the use by others of our Group's assets under leases in the ordinary course of our Group's business.

Further details of our Group's revenue and other income recognition policies are as follows:

Revenue from contracts with customers

Our Group is the principal for our revenue transactions and recognizes revenue on a gross basis, including the sale of electronic products that are sourced externally. In determining whether our Group acts as a principal or as an agent, we consider whether our Group obtains control of the products before they are transferred to the customers. Control refers to our Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which our Group is expected to be entitled, excluding those amounts collected on behalf of third parties, such as value-added tax or other sales taxes.

(a) Sale of products

Generally, revenue from the sale of products is recognized when the customer takes possession of and accepts the products. Revenue arising from the sale of certain intelligent manufacturing systems and a corresponding contract asset, is recognized progressively over time during the process using the cost-to-cost method. Under the cost-to-cost method, revenue is recognized based on the proportion of the actual costs incurred relative to the estimated total costs to provide a faithful depiction of the transfer of those products.

(b) Product-related technical services

Revenue from technical services is recognized at a point in time when the service is provided and accepted by the customer.

Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are earned.

(b) Dividends

Dividend income is recognized in profit or loss on the date on which our Group's right to receive payment is established.

(c) Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Government grant

Government grants are recognized in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that our Group will comply with the conditions attached to them.

Grants that compensate our Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate our Group for the cost of an asset are presented in the consolidated statements of financial position by setting up the grants as deferred income and consequently are effectively recognized as income in profit or loss on a systematic basis over the useful life of the asset.

Goodwill

Goodwill arising on the acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment.

Credit losses and impairment of assets

Credit losses from financial instruments, contract assets and lease receivables

Our Group recognizes a loss allowance for expected credit losses ("ECL") on (i) financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and other receivables, including those loans to associates that are held for the collection of contractual cash flows which represent sole payments of principal and interest); (ii) contract assets; and (iii) lease receivables.

(a) Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual cash flows and expected amounts.

The expected cash shortfalls are discounted using the following discount rates if the effect is material: (i) fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; (ii) variable-rate financial assets: current effective interest rate; and (iii) lease receivables: discounted rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which our Group is exposed to credit risk.

ECLs are measured on either of the following basis: (i) 12-month ECLs: these are the portions of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and (ii) lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

(b) Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, our Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on our Group's historical experience and informed credit assessment, that includes forward-looking information.

Our Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition: (i) the debtor is unlikely to pay its credit obligations to our Group in full, without recourse by us to actions such as realizing security (if any is held); or (ii) the financial assets are 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. Our Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the consolidated statements of financial position.

(c) Credit-impaired financial assets

At each reporting date, our Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events: (i) significant financial difficulties of the debtor; (ii) a breach of contract, such as a default or being more than 90 days past due; (iii) the restructuring of a loan or advance by our Group on terms that our Group would not consider otherwise a breach of contract, such as a default or being more than 90 days past due; (iv) it is probable that the debtor will enter bankruptcy or other financial reorganization; or (v) the disappearance of an active market for a security because of financial difficulties of the issuer.

(d) Write-off policy

The gross carrying amount of a financial asset, lease receivable, or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when our Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Impairment of other non-current assets

At each reporting date, our Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting 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.

Inventories and other contract costs

Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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.

Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer, which are not capitalized as inventory, property, plant and equipment, or intangible assets.

Incremental costs of obtaining a contract, such as sales commissions, are capitalized if the costs relate to revenue that will be recognized in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalized if the costs relate directly to an existing contract or a specifically identifiable anticipated contract, generate or enhance resources that will be used to provide goods or services in the future and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalized as inventory, property, plant and equipment, or intangible assets, are expensed as incurred.

Capitalized contract costs are stated at cost less accumulated amortization and impairment losses. Amortization of capitalized contract costs is recognized in profit or loss when the revenue to which the asset relates is recognized.

Trade and other receivables

A receivable is recognized when our Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that constrain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost.

Income tax

Income tax comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year/period and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for: (i) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; (ii) temporary differences related to investment in subsidiaries and associates to the extent that our Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and (iii) taxable temporary differences arising on the initial recognition of goodwill.

Our Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in our Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which our Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Critical Accounting Judgments and Estimates

Impairment of goodwill

Our Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGUs to which the goodwill is allocated. Estimating the value in use requires our Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Net realizable value of inventories

The net realizable value of inventories 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. Special consideration is given to estimate the selling price of those technically obsolete and/or slow-moving inventory items.

Management reassesses these estimations at the end of the reporting period to ensure inventory is shown at the lower of cost and net realizable value.

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

DESCRIPTION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth key items of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue	**3,880,779**	**4,651,949**	**4,008,772**	**3,370,274**	**3,803,570**
Cost of sales	(2,604,561)	(3,196,854)	(2,874,742)	(2,364,083)	(2,732,855)
Gross profit	**1,276,218**	**1,455,095**	**1,134,030**	**1,006,191**	**1,070,715**
Other net income	136,982	139,150	123,035	107,798	63,208
Selling expenses	(292,807)	(399,331)	(445,689)	(324,136)	(308,396)
Administrative expenses	(416,562)	(466,358)	(550,149)	(381,748)	(330,369)
Research and development expenses	(307,580)	(388,468)	(442,233)	(306,610)	(318,511)
(Provision for)/reversal of impairment loss on trade receivables and contract assets	(34,888)	(29,579)	(62,689)	(21,603)	4,813
Impairment loss on intangible assets and goodwill	–	–	(360,467)	–	–
Profit/(loss) from operations	**361,363**	**310,509**	**(604,162)**	**79,892**	**181,460**
Finance costs	(93,990)	(130,538)	(154,193)	(103,909)	(119,487)
Share of profits less losses of associates	(3,765)	(12,434)	(17,169)	(12,875)	(2,143)
Profit/(loss) before taxation	**263,608**	**167,537**	**(775,524)**	**(36,892)**	**59,830**
Income tax	(80,049)	(33,910)	(42,161)	(25,267)	(30,130)
Profit/(loss) for the year/period	**183,559**	**133,627**	**(817,685)**	**(62,159)**	**29,700**
Attributable to:					
Equity shareholders of the Company	166,780	135,672	(810,929)	(67,119)	25,372
Non-controlling interests	16,779	(2,045)	(6,756)	4,960	4,328

Non-IFRS Financial Measures

To supplement our consolidated financial statements of profit or loss that are presented in accordance with IFRS, we also use EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. We define EBITDA (non-IFRS measure) as profit before taxation adjusted by adding back (i) finance costs, and (ii) depreciation and amortization, and deducting interest income from bank deposits. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impacts of certain non-operating items.

We believe that these non-IFRS measures provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures have limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

The following table sets forth a reconciliation of our EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) and to profit or loss for the period in respect of the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Profit/(loss) before taxation	**263,608**	**167,537**	**(775,524)**	**(36,892)**	**59,830**
Adjusted for:					
Add:					
– Finance costs	93,990	130,538	154,193	103,909	119,487
– Depreciation and amortization[1]	133,617	151,000	199,054	139,642	151,795
Less:					
– Interest income from bank deposits[2]	(11,040)	(9,807)	(15,493)	(11,910)	(9,702)
EBITDA (non-IFRS measure)	**480,175**	**439,268**	**(437,770)**	**194,749**	**321,410**

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Adjusted for:					
Add:					
Equity-settled share-based payment expenses[3]	10,253	6,502	10,451	11,384	14,450
Impairment loss on intangible assets and goodwill.	–	–	360,467	–	–
Listing expenses	–	–	–	–	1,128
Adjusted EBITDA (non-IFRS measure) . . .	**490,428**	**445,770**	**(66,852)**	**206,133**	**336,988**

Notes:

(1) Representing depreciation of property, plant and equipment, right-of-use assets and investment property and amortization of intangible assets and long-term deferred expenses.

(2) Representing interest income from bank deposits recorded as our other net income. See "— Other Net Income" for details.

(3) Representing share-based payment relating to our share option scheme and share reward scheme. See Note 27 to the Accountants' Report in Appendix I to this prospectus for details.

Revenue

Revenue by Business Line

During the Track Record Period, a significant portion of our revenue was generated from sales of (i) industrial robots and intelligent manufacturing systems, and (ii) core automation components and motion control systems. Additionally, we derived a small portion of our revenue from the rental of certain office buildings.

The following table sets forth a breakdown of our revenue by business line for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Industrial robots and intelligent manufacturing systems	**2,838,648**	**73.1**	**3,594,821**	**77.3**	**3,029,103**	**75.6**	**2,600,585**	**77.2**	**3,138,297**	**82.5**
– Industrial robots	924,589	23.8	1,446,121	31.1	1,232,580	30.7	1,049,293	31.1	1,397,913	36.7
– Intelligent manufacturing systems	582,627	15.0	610,469	13.1	747,022	18.7	697,331	20.7	927,016	24.4
– Industrial robot workstations	1,331,432	34.3	1,538,231	33.1	1,049,501	26.2	853,961	25.4	813,368	21.4
Core automation components and motion control systems	**1,025,480**	**26.4**	**1,040,015**	**22.3**	**976,276**	**24.3**	**767,066**	**22.7**	**662,495**	**17.4**
– Motion control systems	117,808	3.0	137,676	3.0	100,342	2.5	78,802	2.3	78,455	2.1
– Servo systems	314,579	8.1	267,512	5.8	241,241	6.0	186,297	5.5	137,330	3.6
– Motion control solutions	593,093	15.3	634,827	13.5	634,693	15.8	501,967	14.9	446,710	11.7
Rentals	**16,651**	**0.5**	**17,113**	**0.4**	**3,393**	**0.1**	**2,623**	**0.1**	**2,778**	**0.1**
Total	**3,880,779**	**100.0**	**4,651,949**	**100.0**	**4,008,772**	**100.0**	**3,370,274**	**100.0**	**3,803,570**	**100.0**

Revenue from sales of industrial robots and intelligent manufacturing systems

We offer a comprehensive portfolio of industrial robots and intelligent manufacturing systems that cater to a wide range of application scenarios. Over the years, sales of industrial robots and intelligent manufacturing systems have emerged as a cornerstone of our revenue. In 2022, 2023, 2024 and the first nine months of 2024 and 2025, our revenue from sales of industrial robots and intelligent manufacturing systems amounted to RMB2,838.6 million, RMB3,594.8 million, RMB3,029.1 million, RMB2,600.6 million and RMB3,138.3 million, respectively, representing 73.1%, 77.3%, 75.6%, 77.2% and 82.5% of our total revenue for the same periods.

Our revenue from sales of industrial robots and intelligent manufacturing systems grew by 26.6% from 2022 to 2023, primarily because we reinforced our focus on strategic key accounts by forming dedicated sales team aimed at engaging top-tier customers with substantial demand. This strategic approach enabled us to successfully gain more market share. In particular, (i) we captured additional opportunities in the photovoltaic industry and automotive industry by continuously expanding the application scenarios of our industrial robots, (ii) the rapid growth of the lithium battery industry drove higher sales of our intelligent manufacturing systems, and (iii) increased capital investment in the construction machinery and heavy industry sectors contributed to revenue growth of our industrial robot workstations.

Our revenue from sales of industrial robots and intelligent manufacturing systems declined by 15.7% from 2023 to 2024, mainly due to reduced demand from customers in certain downstream sectors, driven by a broader industry-wide slowdown affecting these market segments. In particular, (i) the decrease in revenue from our industrial robots was partially due to weaker demand in the photovoltaic industry, despite the growing demand from emerging industries, such as automotive and electronics, and (ii) reduced capital investment in the heavy industry sector led to lower sales of industrial robot workstations. By contrast, revenue from our intelligent manufacturing systems increased in 2024 compared with 2023, mainly as a result of orders secured from certain key account customers in the lithium battery industry.

Our revenue from sales of industrial robots and intelligent manufacturing systems grew by 20.7% from the first nine months of 2024 to the first nine months of 2025, mainly attributable to recovered demand in the downstream sectors, in particular the automotive industry. The increase was mainly driven by changes in industry dynamics. In 2025, the new energy vehicle, lithium battery and electronics sectors recorded relatively fast growth and higher levels of capital investment, which supported rising demand for our industrial robots and intelligent manufacturing systems. We had adjusted our human resource allocation in 2024 in light of these industry trends, which enabled us to respond to customer needs in these sectors in a timely manner and contributed to our revenue growth. In particular, we allocated more experienced personnel to serve key account customers in the lithium battery industry, and assigned over 20 seasoned international sales professionals to support our overseas business.

Revenue from sales of core automation components and motion control systems

Our core automation components and motion control systems deliver the foundational technologies powering intelligent manufacturing. Our revenue generated from sales of core automation components and motion control systems was RMB1,025.5 million, RMB1,040.0 million, RMB976.3 million, RMB767.1 million and RMB662.5 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively, accounting for 26.4%, 22.3%, 24.3%, 22.7% and 17.4% of our total revenue for the same periods.

Revenue from sales of core automation components and motion control systems remained relatively stable between 2022 and 2023 but declined by 6.1% from 2023 to 2024, which was mainly due to a decrease of RMB26.3 million in revenue generated from our servo systems.

The downstream industries for servo systems used in specialty equipment experienced downturns, which led to longer project approval processes and extended procurement decision cycles, causing delays in our product delivery. Revenue from sales of core automation components and motion control systems further declined by 13.6% from the first nine months of 2024 to the first nine months of 2025, primarily due to (i) a decrease of RMB55.3 million in revenue generated from our motion control solutions, which was mainly attributable to weaker demand from downstream industries such as sheet metal stamping, as certain cup and tumbler manufacturers reduced their capacity expansion in 2024 amid slowing overseas market demand, and (ii) a decrease in revenue of RMB49.0 million generated from our servo systems, primarily as we prioritized serving key account customers with stable demand, and refrained from taking low-margin orders to maintain profitability.

Rental income

In 2022, 2023, 2024 and the first nine months of 2024 and 2025, our rental income amounted to RMB16.7 million, RMB17.1 million, RMB3.4 million, RMB2.6 million and RMB2.8 million, respectively, accounting for 0.5%, 0.4%, 0.1%, 0.1% and 0.1% of our total revenue for the same periods.

Our rental income remained relatively stable at RMB16.7 million in 2022 and RMB17.1 million in 2023. However, our rental income declined by 80.1% from 2023 to 2024, primarily as certain office buildings were converted to self-use upon the expiration of their lease in 2024. Our rental income remained relatively stable at RMB2.6 million in the first nine months of 2024 and RMB2.8 million in the first nine months of 2025.

Revenue by Geographical Region

During the Track Record Period, we sold our products across the globe. Revenue generated from overseas markets has become an increasingly significant component of our overall revenue.

The following table sets forth a breakdown of our revenue by geographical areas for the periods indicated:

	Year ended December 31,						**Nine months ended September 30,**			
	2022		**2023**		**2024**		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Chinese Mainland	**2,568,537**	**66.2**	**3,057,584**	**65.7**	**2,639,208**	**65.8**	**2,230,952**	**66.2**	**2,685,844**	**70.6**
Overseas	**1,312,242**	**33.8**	**1,594,365**	**34.3**	**1,369,564**	**34.2**	**1,139,322**	**33.8**	**1,117,726**	**29.4**
Europe	1,113,759	28.7	1,214,182	26.1	1,069,833	26.7	909,301	27.0	894,202	23.5
Germany	*562,042*	*14.5*	*563,256*	*12.1*	*493,676*	*12.3*	*444,756*	*13.2*	*466,747*	*12.3*

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (Unaudited)	*%*	*RMB'000*	*%*
Czech Republic	*118,946*	*3.1*	*129,626*	*2.8*	*122,603*	*3.1*	*89,422*	*2.7*	*69,593*	*1.8*
Turkey	*53,447*	*1.4*	*97,028*	*2.1*	*130,111*	*3.2*	*109,540*	*3.3*	*54,803*	*1.4*
Other European nations	*379,324*	*9.7*	*424,272*	*9.1*	*323,443*	*8.1*	*265,583*	*7.8*	*303,059*	*8.0*
North America	165,716	4.3	297,064	6.4	227,822	5.7	167,816	5.0	182,342	4.8
U.S.	*144,614*	*3.7*	*296,579*	*6.4*	*226,621*	*5.7*	*154,951*	*4.6*	*179,852*	*4.7*
Other North American nations	*21,102*	*0.6*	*485*	*0.0*	*1,201*	*0.0*	*12,865*	*0.4*	*2,490*	*0.1*
Asia (excluding Chinese Mainland)	25,482	0.7	77,264	1.7	63,639	1.6	55,785	1.6	25,259	0.7
Others	7,285	0.1	5,855	0.1	8,270	0.2	6,420	0.2	15,923	0.4
Total	**3,880,779**	**100.0**	**4,651,949**	**100.0**	**4,008,772**	**100.0**	**3,370,274**	**100.0**	**3,803,570**	**100.0**

Note:

(1) The geographic location is classified based on the location of our customers, based on our knowledge.

Revenue generated in Chinese Mainland

Our revenue generated in Chinese Mainland increased by 19.0% from RMB2,568.5 million in 2022 to RMB3,057.6 million in 2023, primarily because (i) we reinforced our focus on strategic key accounts by forming dedicated sales team aimed at engaging top-tier customers with substantial demand for industrial robots and intelligent manufacturing systems. This strategic approach enabled us to successfully gain more market share, and (ii) we experienced heightened demand from customers in the photovoltaic industry, which can be attributed to the rapid development and evolution of the photovoltaic industry during this period.

Our revenue generated in Chinese Mainland decreased by 13.7% from RMB3,057.6 million in 2023 to RMB2,639.2 million in 2024, primarily due to (i) our strategic pricing adjustments in response to increasingly intense market competition; and (ii) reduced demand from customers in the PV sector, driven by a slowdown of the PV industry. Such decreases were partially offset by growing demand from emerging industries, such as automotive and electronics.

Our revenue generated in Chinese Mainland increased by 20.4% from RMB2,231.0 million in the first nine months of 2024 to RMB2,685.8 million in the first nine months of 2025, mainly we intensified our sales efforts in emerging industries such as automotive and lithium batteries, which led to higher sales to customers in these sectors. At the same time, we capitalized on the recovery of the domestic downstream market, which drove stronger demand for industrial robots and intelligent manufacturing systems.

Revenue generated from overseas markets

Our revenue generated from overseas markets increased by 21.5% from RMB1,312.2 million in 2022 to RMB1,594.4 million in 2023, primarily reflecting (i) an increase of RMB131.3 million in revenue generated from North American market and (ii) an increase of RMB100.4 million in revenue generated from European market, both driven by higher demand in the construction machinery industry.

Our revenue generated from overseas markets decreased by 14.1% from RMB1,594.4 million in 2023 to RMB1,369.6 million in 2024, primarily reflecting (i) a decrease of RMB144.3 million in revenue generated from European market and (ii) a decrease of RMB69.2 million in revenue generated from North American market, both due to weaker performance in the construction machinery sector. The subdued investment sentiment in the construction machinery sector reduced purchases of our products, significantly impacting our revenue in 2024.

Our revenue generated from overseas markets modestly remained relatively stable at RMB1,139.3 million in the first nine months of 2024 and RMB1,117.7 million in the first nine months of 2025, respectively.

Revenue by Customer Nature

The following table sets forth a breakdown of our revenue by customer nature for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Direct sales	3,616,692	93.2	4,263,094	91.6	3,716,275	92.7	3,129,412	92.9	3,437,024	90.4
Distributor sales	264,087	6.8	388,855	8.4	292,497	7.3	240,862	7.1	366,546	9.6
Total	**3,880,779**	**100.0**	**4,651,949**	**100.0**	**4,008,772**	**100.0**	**3,370,274**	**100.0**	**3,803,570**	**100.0**

During the Track Record Period, we sold the majority of our products directly to customers through our proprietary sales network. Direct sales to customers accounted for 93.2%, 91.6%, 92.7%, 92.9% and 90.4% of our total revenue in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively. We also leveraged our distribution network to expand sales coverage and reach a broader base of end users. Revenue generated from sales to distributors accounted for 6.8%, 8.4%, 7.3%, 7.1% and 9.6% of our total revenue in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively. See "Business — Sales and Marketing — Distributors" for details.

Revenue by Industry Vertical

The following table sets forth a breakdown of our revenue by industrial vertical for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Automotive	745,252	19.2	892,272	19.2	938,911	23.4	814,976	24.2	1,245,411	32.7
Construction machinery and heavy industry	1,799,675	46.4	2,051,946	44.1	1,454,034	36.3	1,197,732	35.5	1,156,360	30.4
Lithium battery	101,692	2.6	226,181	4.9	357,458	8.9	314,799	9.3	512,298	13.5
Metalworking	620,329	16.0	662,435	14.2	635,801	15.9	521,933	15.5	390,555	10.3
Photovoltaic	266,834	6.9	454,188	9.8	241,033	6.0	224,534	6.7	100,518	2.6
Electronics	127,198	3.3	144,519	3.1	196,166	4.9	151,098	4.5	217,487	5.7
Others	219,799	5.6	220,408	4.7	185,369	4.6	145,202	4.3	180,941	4.8
Total	**3,880,779**	**100.0**	**4,651,949**	**100.0**	**4,008,772**	**100.0**	**3,370,274**	**100.0**	**3,803,570**	**100.0**

Note:

(1) The industry vertical is classified based on the business nature of our customers, based on our knowledge.

During the Track Record Period, revenue from automotive, construction machinery and heavy industry, and metal working industries together accounted for the vast majority of our total revenue. Revenue from automotive industry recorded notable increase throughout the Track Record Period, driven by our strategic efforts to capture opportunities in this emerging sector, with a particular focus on establishing relationships with customers engaged in the manufacturing of NEVs. Revenue from the construction machinery and heavy industry and metalworking industries increased from 2022 to 2023, as we reinforced our focus on strategic key accounts by forming dedicated sales teams targeting top-tier customers with substantial demand for industrial robots and intelligent manufacturing systems. However, revenue from these two industry verticals declined from 2023 to 2024, and further decreased from the first nine months of 2024 to the first nine months of 2025, primarily due to weakened investment sentiment in the construction and real estate industries, which dampened demand in the construction machinery and metalworking sectors and, in turn, reduced purchases of our products.

Revenue from PV industry increased from 2022 to 2023, we seized more opportunities by continuously expanding the application scenarios of our industrial robots, which allowed us to further increase our market share in this sector. Revenue from PV industry declined from 2023 to 2024, and further declined from the first nine months of 2024 to the first nine months of 2025 due to reduced demand from major customers in the PV sectors, driven by a slowdown of the PV industry.

Revenue from lithium battery and electronics industries increased both in absolute amount and as a percentage of our total revenue throughout the Track Record Period, as we placed more efforts in capturing opportunities in these two emerging sectors.

Cost of Sales

Cost of Sales by Nature

Our cost of sales primarily consists of (i) costs of raw materials and components, (ii) staff costs, and (iii) others, which mainly include depreciation and amortization, utilities and logistics costs. During the Track Record Period, key raw materials and components of our products included reducers, valve blocks, large non-standard fabricated components, as well as tooling and fixture equipment. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,						**Nine months ended September 30,**			
	2022		**2023**		**2024**		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Costs of raw materials and components	2,180,834	83.7	2,719,628	85.1	2,347,672	81.7	1,963,020	83.0	2,279,843	83.4
Staff costs	295,817	11.4	329,304	10.3	348,484	12.1	278,753	11.8	288,673	10.6
Others	127,910	4.9	147,922	4.6	178,586	6.2	122,310	5.2	164,339	6.0
Total	**2,604,561**	**100.0**	**3,196,854**	**100.0**	**2,874,742**	**100.0**	**2,364,083**	**100.0**	**2,732,855**	**100.0**

Our cost of sales increased by 22.7% from RMB2,604.6 million in 2022 to RMB3,196.9 million in 2023, primarily attributable to (i) an RMB538.8 million increase in costs of raw materials and components, driven by higher procurement volumes in 2023 to support elevated production demand, (ii) an RMB33.5 million increase in staff costs, and (iii) an RMB20.0 million rise in other cost of sales, mainly reflecting higher depreciation and amortization expenses resulting from the completion of new manufacturing facilities. In 2023, we completed the expansion of our manufacturing facilities for industrial robots and intelligent manufacturing systems in Jingmen, Hubei Province, as well as our manufacturing facility for industrial robots in Nanjing, Jiangsu Province.

Our cost of sales decreased by 10.1% from RMB3,196.9 million in 2023 to RMB2,874.7 million in 2024, primarily due to an RMB372.0 million reduction in costs of raw materials and components, which generally aligned with the decline in our revenue.

Our cost of sales increased by 15.6% from RMB2,364.1 million in the first nine months of 2024 to RMB2,732.9 million in the first nine months of 2025, primarily due to (i) an RMB316.8 million increase in costs of raw materials and components, driven by higher procurement volumes in the first nine months of 2025 to support elevated production demand, and (ii) an RMB42.0 million increase in other costs, which was also in line with our revenue growth.

Cost of Sales by Business Line

The following table sets forth a breakdown of our cost of sales by business line for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Industrial robots and intelligent manufacturing systems	**1,937,693**	**74.4**	**2,506,638**	**78.4**	**2,193,657**	**76.3**	**1,850,729**	**78.3**	**2,265,999**	**83.0**
– Industrial robots	656,343	25.2	1,033,377	32.3	950,455	33.0	799,929	33.8	1,026,769	37.6
– Intelligent manufacturing systems	432,843	16.6	450,528	14.1	562,549	19.6	511,783	21.7	725,657	26.6
– Industrial robot workstations	848,507	32.6	1,022,733	32.0	680,653	23.7	539,017	22.8	513,573	18.8
Core automation components and motion control systems	**666,163**	**25.6**	**688,279**	**21.5**	**680,048**	**23.7**	**512,482**	**21.7**	**465,560**	**17.0**
– Motion control systems	83,508	3.2	92,830	2.9	71,769	2.5	47,389	2.0	50,083	1.8
– Servo systems	199,770	7.7	171,425	5.3	166,524	5.8	123,502	5.2	89,814	3.3
– Motion control solutions	382,885	14.7	424,024	13.3	441,755	15.4	341,591	14.5	325,663	11.9
Rentals	**705**	**0.0**	**1,937**	**0.1**	**1,037**	**0.0**	**872**	**0.0**	**1,296**	**0.0**
Total	**2,604,561**	**100.0**	**3,196,854**	**100.0**	**2,874,742**	**100.0**	**2,364,083**	**100.0**	**2,732,855**	**100.0**

Our cost of sales for industrial robots and intelligent manufacturing systems increased by 29.4% from RMB1,937.7 million in 2022 to RMB2,506.6 million in 2023, primarily driven by higher demand from customers in specific downstream sectors, such as PV. Our cost of sales for industrial robots and intelligent manufacturing systems decreased by 12.5% from RMB2,506.6 million in 2023 to RMB2,193.7 million in 2024, primarily in line with the decrease in revenue. Our cost of sales for industrial robots and intelligent manufacturing systems increased by 22.4% from RMB1,850.7 million in the first nine months of 2024 to RMB2,266.0 million in the first nine months of 2025, primarily attributable to increased demand in the domestic market, in particular the automotive sector.

Our cost of sales attributable to core automation components and motion control systems increased by 3.3%, from RMB666.2 million in 2022 to RMB688.3 million in 2023, but decreased to RMB680.0 million in 2024, and further decreased by 9.2% from RMB512.5 million in the first nine months of 2024 to RMB465.6 million in the first nine months of 2025, primarily reflecting fluctuations in revenue.

Our cost of sales attributable to rental primarily consisted of depreciation costs related to leased properties.

Gross Profit and Gross Profit Margin

In 2022, 2023, 2024 and the first nine months of 2024 and 2025, our gross profit was RMB1,276.2 million, RMB1,455.1 million, RMB1,134.0 million, RMB1,006.2 million and RMB1,070.7 million, respectively. Gross profit margin represents gross profit divided by revenue, expressed as a percentage. In 2022, 2023, 2024 and the first nine months of 2024 and 2025, our gross profit margin was 32.9%, 31.3%, 28.3%, 29.9% and 28.2%, respectively.

Gross Profit and Gross Profit Margin by Business Line

The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	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)			
Industrial robots and intelligent manufacturing systems	**900,955**	**31.7**	**1,088,183**	**30.3**	**835,446**	**27.6**	**749,856**	**28.8**	**872,298**	**27.8**
– Industrial robots	268,246	29.0	412,744	28.5	282,125	22.9	249,364	23.8	371,144	26.5
– Intelligent manufacturing systems	149,784	25.7	159,941	26.2	184,473	24.7	185,548	26.6	201,359	21.7
– Industrial robot workstations	482,925	36.3	515,498	33.5	368,848	35.1	314,944	36.9	299,795	36.9

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	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)			
Core automation components and motion control systems	**359,317**	**35.0**	**351,736**	**33.8**	**296,228**	**30.3**	**254,584**	**33.2**	**196,935**	**29.7**
– Motion control systems	34,300	29.1	44,846	32.6	28,573	28.5	31,413	39.9	28,372	36.2
– Servo systems	114,809	36.5	96,087	35.9	74,717	31.0	62,795	33.7	47,516	34.6
– Motion control solutions	210,208	35.4	210,803	33.2	192,938	30.4	160,376	31.9	121,047	27.1
Rentals	**15,946**	**95.8**	**15,176**	**88.7**	**2,356**	**69.4**	**1,751**	**66.8**	**1,482**	**53.3**
Total	**1,276,218**	**32.9**	**1,455,095**	**31.3**	**1,134,030**	**28.3**	**1,006,191**	**29.9**	**1,070,715**	**28.2**

Our gross profit increased by 14.0% from RMB1,276.2 million in 2022 to RMB1,455.1 million in 2023, primarily driven by an RMB187.2 million increase in gross profit from sales of industrial robots and intelligent manufacturing systems, partially offset by an RMB7.6 million decline in gross profit from sales of core automation components and motion control systems. The gross profit margin of our industrial robots and intelligent manufacturing systems decreased from 31.7% in 2022 to 30.3% in 2023, mainly due to decreased gross profit margins of our industrial robots and industrial robot workstations, attributable to downward price adjustments to acquire orders from key account customers. The gross profit margin of core automation components and motion control systems decreased from 35.0% in 2022 to 33.8% in 2023, mainly due to decreased gross profit margin of our motion control solutions, attributable to higher costs of raw materials. These materials were largely procured in 2022, when elevated logistics costs led to relatively higher prices. Our overall gross profit margin declined from 32.9% in 2022 to 31.3% in 2023, primarily due to decreased gross profit margins of our major product lines as mentioned above, and higher depreciation and amortization expenses from completed facility expansion.

Our gross profit decreased by 22.1% from RMB1,455.1 million in 2023 to RMB1,134.0 million in 2024, primarily driven by (i) an RMB252.7 million decrease in gross profit from sales of industrial robots and intelligent manufacturing systems; (ii) an RMB55.5 million decrease in gross profit from sales of core automation components and motion control systems; and (iii) an RMB12.8 million decrease in gross profit attributable to rentals. The gross profit margin of our industrial robots and intelligent manufacturing systems decreased from 30.3% in 2023 to 27.6% in 2024, mainly due to intensified market competition. As we implemented our key account customer strategy and sought to increase our market share in high-barrier application areas of industrial robots and intelligent manufacturing systems, such as the automotive and lithium battery industries, which were previously dominated by foreign manufacturers, we lowered our average selling prices to stay competitive and protect our market share, which in turn led to a decrease in gross profit margin. The gross profit margin of core automation components and motion control systems decreased from 33.8% in 2023 to 30.3% in 2024, mainly due to decreased gross profit margin of our servo systems, attributable to the decreased gross profit margins of certain products used for special equipment that are needed in construction machinery and heavy industry. Our overall gross profit margin declined from 31.3% in 2023 to 28.3% in 2024, primarily due to (i) decreased gross profit margins of our major product lines as mentioned above, and (ii) increased depreciation and amortization expenses following the completion of new manufacturing facilities.

Our gross profit increased by 6.4% from RMB1,006.2 million in the first nine months of 2024 to RMB1,070.7 million in the first nine months of 2025, primarily driven by an RMB122.4 million increase in gross profit from sales of industrial robots and intelligent manufacturing systems partially offset by a decrease of RMB57.6 million in gross profit from sales of core automation components and motion control systems. The gross profit margin of our industrial robots and intelligent manufacturing systems decreased from 28.8% in the first nine months of 2024 to 27.8% in the first nine months of 2025, primarily attributable to a decrease in the gross profit margin of intelligent manufacturing systems, resulting from downward price adjustments for intelligent manufacturing systems serving the lithium battery sector, as we offered favorable pricing terms to select key account customers in the lithium battery sectors to increase our market penetration. The gross profit margin of our core automation components and motion control systems decreased from 33.2% in the first nine months of 2024 to 29.7% in the first nine months of 2025, mainly due to decreased gross profit margin of motion control solutions, driven by the appreciation of the Euro, which increased the cost of imported components, as well as higher R&D and market development expenses for motion control solutions in the sheet metal segment, as we continue to advance our proprietary solutions. Such decrease was partially offset by the increased gross profit margins of motion control systems and servo systems, as we focused on certain high-quality customers, allocated more resources to high-value orders while foregoing low-margin ones, strengthened our research into application scenarios to deliver integrated solutions with better profitability, and optimized our product portfolio by offering more competitive motion control systems and servo systems. Our overall gross profit margin declined from 29.9% in the first nine months of 2024 to 28.2% in the first nine months of 2025, primarily due to decreased gross profit margins of our major product lines as mentioned above.

See "— Period-to-Period Comparison of Results of Operations" for more details.

Gross Profit and Gross Profit Margin by Geographical Region

The following table sets forth a breakdown of our gross profit and gross profit margin by geographical region for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	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)			
Chinese Mainland	878,226	34.2	970,354	31.7	690,561	26.2	569,543	25.5	670,440	25.0
Overseas	397,992	30.3	484,741	30.4	443,469	32.4	436,648	38.3	400,275	35.8
Total	**1,276,218**	**32.9**	**1,455,095**	**31.3**	**1,134,030**	**28.3**	**1,006,191**	**29.9**	**1,070,715**	**28.2**

During the Track Record Period, the fluctuations in our gross profit from the Chinese Mainland and overseas markets primarily reflected the changes in revenue generated from their respective markets.

Our gross profit margin from the Chinese Mainland decreased from 34.2% in 2022 to 31.7% in 2023 and further to 26.2% in 2024. In the first nine months of 2025, our gross profit margin from the Chinese Mainland continue to decrease to 25.0% as compared to 25.5% in the first nine months of 2024. The continued decrease in our gross profit margin from the Chinese Mainland was primarily due to (i) our strategic price adjustments implemented to attract key account customers with significant demands; and (ii) the rise in depreciation and amortization expenses resulting from the completion of manufacturing facility expansion.

Our gross profit margin from overseas markets remained relatively stable at 30.3% in 2022 and 30.4% in 2023. Our gross profit margin from overseas markets increased to 32.4% in 2024, primarily attributable to the higher proportion of revenue generate from industrial robots and intelligent manufacturing systems manufactured in China and sold overseas. These products carry higher margins given their relatively lower costs and higher selling prices. Our gross profit margin from overseas markets decreased from 38.3% in the first nine months of 2024 to 35.8% in the first nine months of 2025, primarily due to the contribution of certain higher-margin intelligent manufacturing systems in the first nine months of 2024, which elevated the gross profit margin for that period.

Other Net Income

Our other net income primarily comprises (i) value-added tax ("**VAT**") super deductions and refunds, (ii) government grants, which mainly include operating subsidies and the amortization of government grants related to capital expenditures, (iii) realized and unrealized gains or losses on other financial assets measured at FVPL, reflecting the fair value changes of our investments in unlisted securities and funds, (iv) net gains from the disposal of an associate, as we partially disposed of the equity interest we held in certain associates in 2024, (v) realized and unrealized gains from investments in wealth management products, (vi) interest income from bank deposits, (vii) net losses from the disposal of subsidiaries, resulting from our disposal of equity interests in certain overseas subsidiaries in 2022, (viii) net foreign exchange gains or losses, (ix) net losses or gains on disposal of property, plant and equipment, and (x) other miscellaneous gains and losses.

The following table sets forth a breakdown of our other net income for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
VAT super deduction and refund	21,296	15.5	40,601	29.2	47,628	38.7	34,015	31.6	27,049	42.8
Government grants	39,737	29.0	41,078	29.5	38,850	31.5	31,008	28.8	17,761	28.1

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (Unaudited)	*%*	*RMB'000*	*%*
Realized and unrealized gains/(losses) on other financial assets measured at FVPL	52,828	38.6	30,718	22.1	(22,787)	(18.5)	–	–	12,878	20.4
Net gains on disposal of interests in associates	–	–	–	–	15,948	13.0	14,781	13.7	976	1.5
Realized and unrealized gains on wealth management products	18,284	13.4	23,008	16.5	15,602	12.7	7,190	6.7	10,239	16.2
Interest income from bank deposits	11,040	8.1	9,807	7.0	15,493	12.6	11,910	11.0	9,702	15.3
Net loss on disposal of subsidiaries	(14,316)	(10.5)	(69)	0.0	–	–	–	–	(3,765)	(6.0)
Net foreign exchange gains/(losses)	9,205	6.7	(2,480)	(1.8)	7,971	6.5	2,935	2.7	(6,962)	(11.0)
Net (losses)/gains on disposal of property, plant and equipment	(171)	(0.1)	1,000	0.7	(501)	(0.4)	3,801	3.5	(788)	(1.2)
Others	(921)	(0.7)	(4,513)	(3.2)	4,831	3.9	2,158	2.0	(3,882)	(6.1)
Total	**136,982**	**100.0**	**139,150**	**100.0**	**123,035**	**100.0**	**107,798**	**100.0**	**63,208**	**100.0**

Our other net income increased by 1.6% from RMB137.0 million in 2022 to RMB139.2 million in 2023, primarily driven by (i) an RMB19.3 million increase in VAT super deductions and refunds. VAT super deductions and refunds represent extra percentages of input VAT on top of standard deductions enjoyed by our software-focused subsidiaries under applicable policies in China and cash refund of overpaid VAT. Such increase was mainly due to the growth in revenue from our software-focused PRC subsidiaries, which are eligible for such deductions and refunds; and (ii) a decrease in net loss on disposal of subsidiaries of RMB14.2 million, partially offset by a decrease in realized and unrealized gain or loss on other financial assets measured at FVPL of RMB22.1 million, primarily reflecting changes in the fair value of our investments in unlisted securities and funds. Our other net income decreased by 11.6% from RMB139.2 million in 2023 to RMB123.0 million in 2024, primarily reflecting changes in the fair value of our investments in unlisted securities and funds. Our other net income decreased by 41.4% from RMB107.8 million in the first nine months of 2024 to RMB63.2 million in the first nine months of 2025, primarily driven by (i) an RMB13.8 million decrease in net gains on disposal of interests in associates arising from our disposal of equity interest in certain associate; and (ii) an RMB13.2 million decrease in government grants; partially offset by an RMB12.9 million increase in realized and unrealized gains on other financial assets measured at FVPL.

Selling Expenses

Our selling expenses primarily comprise (i) staff costs for our sales personnel, (ii) travel expenses incurred by our sales personnel, (iii) advertising and exhibition expenses, primarily related to our participation in global industrial exhibitions to promote our products, (iv) business entertainment expenses, (v) intermediary service fees, (vi) packaging expenses, (vii) depreciation, (viii) office expenses and rent, and (ix) other expenses, primarily including consumables related to selling activities.

The following table sets forth a breakdown of our selling expenses for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Staff costs	182,067	62.2	218,729	54.8	266,665	59.8	210,155	64.8	200,026	64.9
Travel expenses	39,842	13.6	67,778	17.0	90,728	20.4	51,951	16.0	37,321	12.1
Advertising and exhibition expenses	15,778	5.4	30,904	7.7	24,344	5.5	16,825	5.2	21,498	7.0
Business entertainment expenses	9,552	3.3	11,750	2.9	17,730	4.0	10,021	3.1	7,988	2.6
Intermediary service fees	27,893	9.5	41,639	10.4	14,108	3.2	13,355	4.1	22,540	7.3
Packaging expenses	2,961	1.0	4,230	1.1	2,807	0.6	2,330	0.7	1,281	0.4
Depreciation	1,039	0.3	1,052	0.3	2,620	0.6	2,320	0.7	3,176	1.0
Office expenses and rent	2,675	0.9	1,434	0.4	1,091	0.2	818	0.3	2,560	0.8
Others	11,000	3.8	21,815	5.4	25,596	5.7	16,361	5.1	12,007	3.9
Total	**292,807**	**100.0**	**399,331**	**100.0**	**445,689**	**100.0**	**324,136**	**100.0**	**308,397**	**100.0**

Our selling expenses increased by 36.4%, from RMB292.8 million in 2022 to RMB399.3 million in 2023, primarily attributable to (i) a rise of RMB36.7 million in staff costs, mainly driven by the expansion of our sales teams, (ii) an increase of RMB27.9 million in travel expenses, primarily due to our heightened marketing and sales activities aimed at leveraging industry growth, and (iii) an increase of RMB15.1 million in advertising and exhibition expenses, as we participated in more exhibitions to promote our products.

Our selling expenses further increased by 11.6%, from RMB399.3 million in 2023 to RMB445.7 million in 2024, primarily due to (i) an increase of RMB47.9 million in staff costs, mainly driven by the expansion of our sales team to support business growth, and (ii) an increase of RMB23.0 million in travel expenses, largely attributable to increased travel by sales personnel for market expansion, partially offset by (i) a decrease of RMB27.5 million in intermediary service fees, mainly due to a decreased in sales in 2024, and (ii) a decline of RMB6.6 million in advertising and exhibition expenses, primarily reflecting our refined marketing strategies.

Our selling expenses remained relatively stable at RMB324.1 million in the first nine months of 2024 and RMB308.4 million in the first nine months of 2025.

Administrative Expenses

Our administrative expenses primarily consist of (i) staff costs for our administrative personnel, (ii) depreciation and amortization, (iii) impairment losses on financial assets, (iv) professional and consulting fees, primarily include fees paid for strategic business management advisory, (v) travel expenses, (vi) office expenses, (vii) impairment losses/(gains) on other receivables, (viii) taxes and surcharges, primarily consisting of property tax, urban maintenance and construction tax, and education tax and surcharges, (ix) insurance premiums, (x) repair and maintenance expenses, (xi) business development expenses, (xii) bank charges, and (xiii) other expenses, mainly comprising recruitment and hiring expenses, telecommunications expenses, and impairment losses relating to contractual obligations.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,						**Nine months ended September 30,**			
	2022		**2023**		**2024**		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* *(Unaudited)*	*%*	*RMB'000*	*%*
Staff costs	216,214	51.9	222,846	47.8	285,243	51.9	188,811	49.5	180,781	54.7
Depreciation and amortization	63,679	15.3	73,858	15.8	73,735	13.4	50,274	13.2	43,787	13.3
Professional and consulting fees	30,379	7.3	43,822	9.4	48,676	8.8	35,296	9.2	27,199	8.2
Travel expenses	16,434	4.0	18,191	3.9	23,566	4.3	19,101	5.0	15,241	4.6
Office expenses	13,056	3.1	19,888	4.3	19,653	3.6	14,019	3.7	7,937	2.4
Impairment losses/(gains) on other receivables	12,629	3.0	(2,702)	(0.6)	1,848	0.3	298	0.1	(979)	(0.3)
Taxes and surcharges	11,340	2.7	14,009	3.0	14,279	2.6	12,428	3.3	11,468	3.5
Insurance premiums	5,401	1.3	9,676	2.1	10,597	1.9	7,897	2.1	6,738	2.0
Repair and maintenance expenses	6,811	1.6	5,881	1.3	9,638	1.8	5,908	1.5	5,817	1.8
Business development expenses	2,480	0.6	4,572	1.0	5,980	1.1	4,130	1.1	3,362	1.0
Bank charges	9,262	2.2	9,871	2.1	5,741	1.0	2,234	0.6	3,422	1.0
Others	28,877	7.0	46,446	9.9	51,193	9.3	41,352	10.7	25,596	7.8
Total	**416.562**	**100.0**	**466,358**	**100.0**	**550,149**	**100.0**	**381,748**	**100.0**	**330,369**	**100.0**

Our administrative expenses increased by 12.0% from RMB416.6 million in 2022 to RMB466.4 million in 2023, primarily attributable to (i) an increase of RMB13.4 million in professional and consulting fees, mainly due to our engagement of a third-party consulting firm to provide services aimed at formulating development strategies and enhancing our operational efficiency, and (ii) an increase of RMB10.2 million in depreciation and amortization, primarily attributable to the completion of our new office buildings.

Our administrative expenses grew by 18.0% from RMB466.4 million in 2023 to RMB550.1 million in 2024, primarily driven by (i) a rise of RMB62.4 million in staff costs, mainly due to the expansion of our administrative team and an increase in average salaries, and (ii) an increase of RMB4.6 million in impairment losses on financial assets, primarily due to extended payment cycles from certain major customers, which led to aged trade receivables and a corresponding increase in credit losses.

Our administrative expenses decreased by 13.5% from RMB381.7 million in the first nine months of 2024 to RMB330.4 million in the first nine months of 2025, primarily attributable to (i) a decrease of RMB15.8 million in other administrative expenses due to decreased procurement expenses, recruitment expenses and short-term rental expenses, resulting from our enhanced measures in improving administrative efficiency, (ii) a decrease of RMB8.1 million in professional and consulting fees, (iii) a decrease of RMB8.0 million in staff costs due to streamlined structure of our administrative team, and (iv) a decrease of RMB6.5 million in depreciation and amortization resulting from (a) the disposal of obsolete electronic devices and aged equipment, and (b) variations in the departments utilizing the assets, which led to the reclassification of certain assets.

Research and Development Expenses

Our research and development expenses primarily consist of (i) staff costs for our R&D personnel, (ii) depreciation and amortization, (iii) material expenses, representing expenses for materials utilized in and testing conducted for our R&D activities, (iv) travel expenses, and (v) other expenses, mainly comprising technical service fees, utilities, intellectual property-related expenses and rental expenses.

The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	Year ended December 31,						**Nine months ended September 30,**			
	2022		**2023**		**2024**		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*Unaudited*)	*%*	*RMB'000*	*%*
Staff costs	235,403	76.5	304,137	78.3	347,894	78.7	244,713	79.8	253,561	79.6
Depreciation and amortization	32,263	10.5	31,276	8.1	49,091	11.1	37,276	12.2	41,057	12.9
Material expenses	27,077	8.8	33,212	8.5	14,160	3.2	11,331	3.7	8,995	2.8
Travel expenses	6,270	2.0	9,078	2.3	12,224	2.7	6,453	2.1	8,778	2.8
Others	6,567	2.2	10,765	2.8	18,864	4.3	6,837	2.2	6,120	1.9
Total	**307,580**	**100.0**	**388,468**	**100.0**	**442,233**	**100.0**	**306,610**	**100.0**	**318,511**	**100.0**

Our research and development expenses grew by 26.3% from RMB307.6 million in 2022 to RMB388.5 million in 2023, primarily driven by (i) an increase of RMB68.7 million in staff costs, reflecting our continued investment in expanding the research and development team and offering competitive salaries to attract top talent, and (ii) an increase of RMB6.1 million in material expenses, primarily due to our sustained investment in research and development initiatives.

Our research and development expenses further increased by 13.8% from RMB388.5 million in 2023 to RMB442.2 million in 2024, mainly attributable to (i) a rise of RMB43.8 million in staff costs, reflecting our continued investment in expanding the research and development team and offering competitive salaries to attract top talent, and (ii) an increase of RMB17.8 million in depreciation and amortization, primarily due to increased capitalized R&D costs, reflecting our ongoing commitment to investing in advancement of core technologies.

Our research and development expenses increased moderately by 3.9% from RMB306.6 million in the first nine months of 2024 to RMB318.5 million in the first nine months of 2025, primarily driven by a rise of RMB8.8 million in staff costs, reflecting our continued investment in expanding the research and development team and offering competitive salaries to attract top talent.

(Provision for)/Reversal of Impairment Loss on Trade Receivables and Contract Assets

Provision for or reversal of impairment loss on trade receivables and contract assets represents the provision for, or the reversal of, the loss in the estimated amounts owing from trade receivables and contract assets that might be uncollectible. We recorded provision for impairment loss on trade and contract assets of RMB34.9 million, RMB29.6 million, RMB62.7 million, RMB21.6 million in 2022, 2023, 2024 and the first nine months in 2024, respectively, while recording a reversal of impairment loss on trade receivables and contract assets of RMB4.8 million for the nine months ended September 30, 2025. The notable increase in our provision for impairment loss on trade receivables and contract assets from 2023 to 2024 was primarily driven by the increased revenue contribution from certain key account customers, whose payment cycles are generally longer. Revenue from a key account customer in the automotive sector increased significantly in 2024. As this customer generally operates with a longer payment cycle, the corresponding growth in the balance of trade receivables led to a higher provision for expected credit losses, which was in line with the increase in the balance of trade receivables. In addition, the photovoltaic industry experienced a notable decline in market demand, which slowed collections from certain customers and led to higher provisions based on the aging of receivables. To address this issue, we have implemented a series of measures, including establishing a dedicated team to closely monitor monthly collections, conducting direct collection follow-ups, and managing the risks associated with newly signed contracts. For details on the provisions we made for trade receivables, see "— Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Trade and Other Receivables."

Impairment Losses on Intangible Assets and Goodwill

In 2024, we recorded impairment losses on intangible assets and goodwill totaling RMB360.5 million, including (i) impairment losses on intangible assets of RMB15.6 million; and (ii) impairment losses on goodwill of RMB344.9 million. Our impairment losses on intangible assets and goodwill were primarily due to the underperformance of certain subsidiaries, driven by reduced demand from specific downstream sectors, including heavy industry. Such financial underperformance of subsidiaries also reflected an industry-wide slowdown in the industrial robotics sector in 2024, leading to revenue of these subsidiaries falling short of expectations and negatively affecting our projected future cash flows.

See "— Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Goodwill" for details on the impairment test for goodwill.

Finance Costs

Our finance costs primarily comprise interest expense on (i) interest expenses on bank loans and other borrowings, (ii) interest on discounted bills, (iii) interest on defined benefit plans, relating to the actuarial valuation of pension obligations in certain jurisdictions, and (iv) interest on lease liabilities. The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Interest on bank loans and other borrowings	71,793	76.4	109,823	84.1	125,983	81.7	88,315	85.0	110,528	92.5
Interest on discounted bills	17,256	18.3	11,901	9.1	19,281	12.5	13,974	13.4	–	–
Interest on defined benefit plans	2,712	2.9	6,752	5.2	7,063	4.6	–	–	5,245	4.4
Interest on lease liabilities	2,229	2.4	2,062	1.6	1,866	1.2	1,620	1.6	3,714	3.1
Total	**93,990**	**100.0**	**130,538**	**100.0**	**154,193**	**100.0**	**103,909**	**100.0**	**119,487**	**100.0**

Share of Profits less Losses of Associates

Our share of profits less losses of associates amounted to RMB3.8 million, RMB12.4 million, RMB17.2 million, RMB12.9 million and RMB2.1 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively. Our share of profits less losses of associates rose from 2022 to 2024 as certain of our associates were still in their early-stage of development, with substantial R&D investments driving negative profitability. Our share of profits less losses of associates declined from the first nine months of 2024 to the first nine months of 2025, as we disposed partial equity interests in certain associate which recorded net losses in late 2024.

Income Tax

Pursuant to the EIT Law, we and our subsidiaries that operate in Chinese Mainland are subject to the statutory EIT at a rate of 25%. During the Track Record Period, our Company and certain PRC subsidiaries of our Group qualified as High and New Technology Enterprises ("**HNTE**") and were eligible for a reduced corporate income tax rate of 15% in accordance with applicable tax regulations. HNTE status is subject to reassessment and renewal every three years.

Pursuant to the rules and regulations of Germany, Cloos Holding GmbH and Carl Cloos were subject to an average income tax rate of 28.25% during the Track Record Period. This rate consisted of 15.00% for corporate income tax, 0.825% for solidarity surcharge, and 12.425% for trade income tax. Similarly, M.A.i GmbH & Co. KG was subject to an average income tax rate of 27.91% during the same period, comprising 15.00% for corporate income tax, 0.825% for solidarity surcharge, and 12.08% for trade income tax.

Taxation of other subsidiaries is charged at the prevailing rates applicable in their respective countries or jurisdictions and is calculated on a stand-alone basis.

We incurred income tax of RMB80.0 million, RMB33.9 million, RMB42.2 million, RMB25.3 million and RMB30.1 million in 2022, 2023, 2024 and the first nine months of 2024 and 2025, respectively. In 2024, while our Group recorded a loss before taxation, we incurred income tax primarily due to (i) taxable profit recorded by certain subsidiaries; and (ii) the reversal of previously recognized deferred tax assets.

As of the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no disputes or unresolved tax issues with relevant tax authorities.

Profit/(loss) for the Year/Period

As a result of the foregoing, we recorded a profit for the year of RMB183.6 million and RMB133.6 million in 2022 and 2023, respectively. In 2024, we recorded a loss for the year of RMB817.7 million.

We recorded a loss for the period of RMB62.2 million in the first nine months of 2024, while recording a profit for the period of RMB29.7 million in the first nine months of 2025.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

Revenue

Revenue by Business Line

Our revenue increased by 12.9% from RMB3,370.3 million in the first nine months of 2024 to RMB3,803.6 million in the first nine months of 2025. This increase was primarily driven by an increase of RMB537.7 million in revenue from sales of industrial robots and intelligent manufacturing systems, partially offset by a decrease of RMB104.6 million in revenue from sales of core automation components and motion control systems.

Our revenue from sales of industrial robots and intelligent manufacturing systems grew by 20.7% from the first nine months of 2024 to the first nine months of 2025, primarily attributable to the recovery of the domestic market, resulting in an increase in the sales volume of our general-purpose industrial robots. The gradual rebound in the demand of downstream industries created more business opportunities, leading to higher order intake.

Our revenue from sales of core automation components and motion control systems declined by 13.6% from the first nine months of 2024 to the first nine months of 2025, primarily due to intensified market competition.

Our rental income remained relatively stable at RMB2.6 million and RMB2.8 million in the first nine months of 2024 and 2025, respectively.

Revenue by Geographic Region

Our revenue generated in Chinese Mainland increased by 20.4% from RMB2,231.0 million in the first nine months of 2024 to RMB2,685.8 million in the first nine months of 2025, primarily attributable to the upturn in demand from downstream industries in the domestic market.

Our revenue from overseas markets remained relatively stable at RMB1,139.3 million in the first nine months of 2024 and RMB1,117.7 million in the first nine months of 2025, respectively.

Cost of Sales

Cost of Sales by Nature

Our cost of sales increased by 15.6% from RMB2,364.1 million in the first nine months of 2024 to RMB2,732.9 million in the first nine months of 2025, primarily due to (i) an increase of RMB316.8 million in costs of raw materials and components, which is generally in line with our revenue growth. As downstream demand in domestic market elevated, we increased our procurement to support higher production demand, and (ii) an increase of RMB42.0 million in other costs, which was also in line with our revenue growth.

Cost of Sales by Business Line

Our cost of sales for industrial robots and intelligent manufacturing systems increased by 22.4%, from RMB1,850.7 million in the first nine months of 2024 to RMB2,266.0 million in the first nine months of 2025, which is in line with the increase in revenue. As demand for industrial robots and intelligent manufacturing systems recovered in the downstream market, particularly in the automotive sector, our cost of sales increased accordingly.

Our cost of sales for core automation components and motion control systems decreased by 9.2% from RMB512.5 million in the first nine months of 2024 to RMB465.6 million in the first nine months of 2025, which is in line with decrease in revenue.

Gross Profit and Gross Profit Margin

Our gross profit increased by 6.4% from RMB1,006.2 million in the first nine months of 2024 to RMB1,070.7 million in the first nine months of 2025, primarily driven by an RMB122.4 million increase in gross profit from sales of industrial robots and intelligent manufacturing systems, partially offset by (i) a RMB57.7 million decrease in gross profit from sales of core automation components and motion control systems, and (ii) a RMB0.3 million decrease in gross profit attributable to rentals. Our gross profit margin decreased from 29.9% in the first nine months of 2024 to 28.2% in the first nine months of 2025, respectively.

Our gross profit attributable to sales of industrial robots and intelligent manufacturing systems increased by 16.3% from RMB749.9 million in the first nine months of 2024 to RMB872.3 million in the first nine months of 2025, primarily reflecting the increase in revenue. The gross profit margin of this segment decreased from 28.8% in the first nine months of 2024 to 27.8% in the first nine months of 2025, primarily because the increase in the revenue generated from industrial robots outpaced that of industrial robot workstations. Since the gross profit margin of industrial robots is significantly lower than that of industrial robot workstations, the shift in revenue mix leads to overall contraction in the gross profit margin of this segment.

Our gross profit attributable to sales of core automation components and motion control systems decreased by 22.6% from RMB254.6 million in the first nine months of 2024 to RMB196.9 million in the first nine months of 2025. The gross profit margin for this business line also declined from 33.2% in the first nine months of 2024 to 29.7% in the first nine months of 2025. This was primarily attributable to decrease in the gross profit margin of motion control solutions, mainly due to downward price adjustment resulting from intensified market competition.

Other Net Income

Our other net income decreased by 41.4% from RMB107.8 million in the first nine months of 2024 to RMB63.2 million in the first nine months of 2025, primarily driven by (i) a decrease of RMB13.8 million in net gains on disposal of interests in associates resulting from our disposal of equity interest in certain associate, (ii) an RMB13.2 million decrease in government grants, which was mainly due to a one-off subsidy received by one of our subsidiaries from the local government in the first nine months of 2024, and (iii) an RMB9.9 million increase in net foreign exchange losses, and (iv) an RMB7.0 million decrease in VAT super deduction and refund, partially offset by an increase in realized and unrealized gains on other financial assets measured at FVPL of RMB12.9 million, resulting from changes in the fair value of our investments in unlisted securities and funds.

Selling Expenses

Our selling expenses remained relatively stable at RMB324.1 million and RMB308.4 million in the first nine months of 2024 and 2025, respectively.

Administrative Expenses

Our administrative expenses decreased by 13.5% from RMB381.7 million in the first nine months of 2024 to RMB330.4 million in the first nine months of 2025, primarily attributable to (i) a decrease of RMB15.8 million in other administrative expenses due to decreased procurement expenses, recruitment expenses and short-term rental expenses, resulting from our enhanced measures in improving administrative efficiency, (ii) a decrease of RMB8.1 million in professional and consulting fees, (iii) a decrease of RMB8.0 million in staff costs due to streamlined structure of our administrative team to improve our operational efficiency, and (iv) a decrease of RMB6.5 million in depreciation and amortization resulting from (a) the disposal of obsolete electronic devices and aged equipment, and (b) variations in the departments utilizing the assets, which led to the reclassification of certain assets.

Research and Development Expenses

Our research and development expenses increased moderately by 3.9% from RMB306.6 million in the first nine months of 2024 to RMB318.5 million in the first nine months of 2025, primarily driven by a rise of RMB8.8 million in staff costs, reflecting our continued investment in expanding the research and development team and offering competitive salaries to attract top talent, partially offset by a decrease in material expenses resulting from the implementation of lean management of our R&D process and elevated R&D efficiency, leading to reduced material waste during our R&D process.

Finance Costs

Our financial costs increased by 15.0% from RMB103.9 million in the first nine months of 2024 to RMB119.5 million in the first nine months of 2025, primarily due to an increase of RMB22.2 million in interest on bank loans and other borrowings, driven by primarily attributable to an increase in bank loan balances, driven by additional bank loans secured to support our working capital needs, which led to an increase in interest expenses.

Share of Profits less Losses of Associates

Our share of profits less losses of associates decreased by 83.7% from RMB12.9 million in the first nine months of 2024 to RMB2.1 million in the first nine months of 2025. This was mainly due to the partial disposal of equity interests in certain associates that had incurred net losses in late 2024. As a result of such disposal, our share of profits less losses of associates decreased in the first nine months of 2025.

Income Tax

Our income tax increased by 19.0% from RMB25.3 million in the first nine months of 2024 to RMB30.1 million in the first nine months of 2025, primarily attributable to increased taxable profit recorded by certain subsidiaries.

Our effective income tax rate, being income tax as a percentage of profit/(loss) before taxation, was negative 68.5% in the first nine months of 2024 and 50.4% in the first nine months of 2025, respectively.

Profit/(loss) for the Period

As a result of the foregoing, we record a loss for the period of RMB62.2 million in the first nine months of 2024, compared to a profit for the period of RMB29.7 million in the first nine months of 2025. Our net loss margin was 1.8% in the first nine months of 2024, while we reported a net profit margin of 0.8% in the first nine months of 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Revenue by Business Line

Our revenue decreased by 13.8% from RMB4,651.9 million in 2023 to RMB4,008.8 million in 2024. This decline was primarily driven by: (i) a decrease of RMB565.7 million in revenue from sales of industrial robots and intelligent manufacturing systems, (ii) a decrease of RMB63.7 million in revenue from sales of core automation components and motion control systems, and (iii) a decrease of RMB13.7 million in rental income.

Our revenue from sales of industrial robots and intelligent manufacturing systems declined by 15.7% from 2023 to 2024, primarily due to reduced demand from major customers in certain downstream sectors, such as PV and heavy industry sectors, driven by a broader industry-wide slowdown affecting these market segments, partially offset by growing demand from emerging industries, such as automotive and electronics.

Our revenue from sales of core automation components and motion control systems declined by 6.1% from 2023 to 2024, primarily due to intensified market competition.

Our rental income declined by 80.1% from 2023 to 2024, as certain office buildings were converted to self-use upon the expiration of their lease in 2024.

Revenue by Geographic Region

Our revenue generated in Chinese Mainland decreased by 13.7% from RMB3,057.6 million in 2023 to RMB2,639.2 million in 2024, primarily due to (i) our strategic adjustments in response to increasingly intense market competition; and (ii) reduced demand from major customers in the PV sectors, driven by a slowdown of the PV industry. Such decreases were partially offset by growing demand from emerging industries, such as automotive and electronics.

Our revenue generated from overseas markets decreased by 14.1% from RMB1,594.4 million in 2023 to RMB1,369.6 million in 2024, primarily due to weaker performance in the construction machinery sector. The subdued investment sentiment in the construction machinery sector reduced purchases of our products, significantly impacting our revenue in 2024.

Cost of Sales

Cost of Sales by Nature

Our cost of sales decreased by 10.1% from RMB3,196.9 million in 2023 to RMB2,874.7 million in 2024, primarily due to an RMB372.0 million reduction in costs of raw materials and components, which generally aligned with the decline in our revenue.

Cost of Sales by Business Line

Our cost of sales for industrial robots and intelligent manufacturing systems decreased by 12.5% from RMB2,506.6 million in 2023 to RMB2,193.7 million in 2024, primarily in line with the decrease in revenue.

Our cost of sales for core automation components and motion control systems decreased from RMB688.3 million in 2023 to RMB680.0 million in 2024, primarily in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 22.1% from RMB1,455.1 million in 2023 to RMB1,134.0 million in 2024, primarily driven by (i) an RMB252.7 million decrease in gross profit from sales of industrial robots and intelligent manufacturing systems, (ii) an RMB55.5 million decrease in gross profit from sales of core automation components and motion control systems, and (iii) an RMB12.8 million decrease in gross profit attributable to rentals. Our gross profit margin declined from 31.3% in 2023 to 28.3% in 2024, reflecting margin contraction in the segment of industrial robots and intelligent manufacturing systems, as well as core automation components and motion control systems.

Our gross profit attributable to sales of industrial robots and intelligent manufacturing systems decreased by 23.2% from RMB1,088.2 million in 2023 to RMB835.4 million in 2024, primarily reflecting the decline in revenue. The gross profit margin of this segment declined from 30.3% in 2023 to 27.6% in 2024, mainly due to (i) our strategic decision to adjust the selling prices of certain models to address intensified market competition, and (ii) an increase in depreciation and amortization costs resulting from the completion of new manufacturing facilities.

Our gross profit attributable to sales of core automation components and motion control systems declined by 15.8% from RMB351.7 million in 2023 to RMB296.2 million in 2024. The gross profit margin for this business line also decreased from 33.8% in 2023 to 30.3% in 2024. This was primarily attributable to our strategic pricing adjustments for certain models in response to intensified market competition.

Other Net Income

Our other net income decreased by 11.6% from RMB139.2 million in 2023 to RMB123.0 million in 2024, primarily reflecting changes in the fair value of our investments in unlisted securities and funds.

Selling Expenses

Our selling expenses increased by 11.6%, from RMB399.3 million in 2023 to RMB445.7 million in 2024, primarily due to (i) an increase of RMB47.9 million in staff costs, mainly driven by the expansion of our sales team to support business growth, and (ii) an increase of RMB23.0 million in travel expenses, largely attributable to increased travel by sales personnel for market expansion, partially offset by (i) a decrease of RMB27.5 million in intermediary service fees, mainly due to a decreased in sales in 2024, and (ii) a decline of RMB6.6 million in advertising and exhibition expenses, primarily reflecting our refined marketing strategies.

Administrative Expenses

Our administrative expenses grew by 18.0% from RMB466.4 million in 2023 to RMB550.1 million in 2024, primarily driven by a rise of RMB62.4 million in staff costs, mainly due to the expansion of our administrative team and an increase in average salaries.

Research and Development Expenses

Our research and development expenses further increased by 13.8% from RMB388.5 million in 2023 to RMB442.2 million in 2024, mainly attributable to (i) a rise of RMB43.8 million in staff costs, reflecting our continued investment in expanding the research and development team and offering competitive salaries to attract top talent, and (ii) an increase of RMB17.8 million in depreciation and amortization, primarily due to increased capitalized R&D costs, reflecting our ongoing commitment to investing in advancement of core technologies.

Impairment Losses on Intangible Assets and Goodwill

In 2024, we recognized impairment losses on intangible assets and goodwill amounting to RMB360.5 million, including (i) impairment losses on intangible assets of RMB15.6 million; and (ii) impairment losses on goodwill of RMB344.9 million, whereas no such impairment losses were recorded in 2023. Our impairment losses on intangible assets and goodwill were primarily due to the underperformance of certain subsidiaries, driven by reduced demand from specific downstream sectors, including heavy industry. Such financial underperformance of subsidiaries also reflected an industry-wide slowdown in the industrial robotics sector in 2024, leading to revenue of these subsidiaries falling short of expectations and negatively affecting our projected future cash flows. See "— Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Goodwill" for details on the impairment test for goodwill.

Finance Costs

Our finance costs increased by 18.2% from RMB130.5 million in 2023 to RMB154.2 million in 2024, primarily due to (i) an increase of RMB16.2 million in interest on bank loans and other borrowings, primarily attributable to an increase in bank loan balances, driven by additional bank loans secured to support our working capital needs, which led to an increase in interest expenses; and (ii) an increase of RMB7.4 million in interest on discounted bills, primarily attributable to greater utilization of financing instruments, such as notes and letters of credit, through discounting.

Share of Profits less Losses of Associates

Our share of profits less losses of associates increased by 38.7% from RMB12.4 million in 2023 to RMB17.2 million in 2024, primarily because certain of our associates were still in their early-stage of development, with substantial R&D investments driving negative profitability.

Income Tax

Our income tax increased by 24.5% from RMB33.9 million in 2023 to RMB42.2 million in 2024, primarily attributable to increased taxable profit recorded by certain subsidiaries.

Our effective income tax rate, being income tax as a percentage of profit/(loss) for the period, was 20.2% in 2023 and negative 5.4% in 2024, respectively.

Profit/(loss) for the Year

As a result of the foregoing, we recorded a profit for the year of RMB133.6 million in 2023, compared to a loss for the year of RMB817.7 million in 2024. Our net profit margin was 2.9% in 2023, while we reported a net loss margin of 20.4% in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Revenue by Business Line

Our revenue increased by 19.9% from RMB3,880.8 million in 2022 to RMB4,651.9 million in 2023. This increase was primarily driven by: (i) an RMB756.2 million increase in revenue from sales of industrial robots and intelligent manufacturing systems; and (ii) an RMB14.5 million increase in revenue from sales of core automation components and motion control systems.

Our revenue from sales of industrial robots and intelligent manufacturing systems grew by 26.6% from 2022 to 2023, primarily because (i) we reinforced our focus on strategic key accounts by forming dedicated sales team aimed at engaging top-tier customers with substantial demand. This strategic approach enabled us to successfully gain more market share; and (ii) we seized more opportunities in PV industry by continuously expanding the application scenarios of our industrial robots, which allowed us to further increase our market share in this sector.

Revenue from sales of core automation components and motion control systems remained relatively stable at RMB1,025.5 million in 2022 and RMB1,040.0 million in 2023.

Our rental income remained relatively stable at RMB16.7 million in 2022 and RMB17.1 million in 2023.

Revenue by Geographic Region

Our revenue generated in Chinese Mainland increased by 19.0% from RMB2,568.5 million in 2022 to RMB3,057.6 million in 2023, primarily because (i) we reinforced our focus on strategic key accounts by forming dedicated sales team aimed at engaging top-tier customers with substantial demand for industrial robots and intelligent manufacturing systems. This strategic approach enabled us to successfully gain more market share; and (ii) we experienced heightened demand from customers in the PV industry, which can be attributed to the rapid development and evolution of the PV industry during this period.

Our revenue generated from overseas markets increased by 21.5% from RMB1,312.2 million in 2022 to RMB1,594.4 million in 2023, primarily driven by higher demand in the construction machinery market.

Cost of Sales

Cost of Sales by Nature

Our cost of sales increased by 22.7% from RMB2,604.6 million in 2022 to RMB3,196.9 million in 2023, primarily attributable to (i) an RMB538.8 million increase in costs of raw materials and components, driven by higher procurement volumes in 2023 to support elevated production demand, (ii) an RMB33.5 million increase in staff costs, driven primarily by the expansion of the production team, and (iii) an RMB20.0 million rise in other cost of sales, mainly reflecting higher depreciation and amortization expenses resulting from the completion of new manufacturing facilities. In 2023, we completed the expansion of our manufacturing facilities for industrial robots and intelligent manufacturing systems in Jingmen, Hubei Province, as well as our manufacturing facility for industrial robots in Nanjing, Jiangsu Province.

Cost of Sales by Business Line

Our cost of sales for industrial robots and intelligent manufacturing systems increased by 29.4%, from RMB1,937.7 million in 2022 to RMB2,506.6 million in 2023, primarily driven by higher demand from customers in specific downstream sectors, such as PV.

Our cost of sales attributable to core automation components and motion control systems increased by 3.3%, from RMB666.2 million in 2022 to RMB688.3 million in 2023, primarily consistent with growth in revenue.

Gross Profit and Gross Profit Margin

Our gross profit increased by 14.0% from RMB1,276.2 million in 2022 to RMB1,455.1 million in 2023, primarily driven by an RMB187.2 million increase in gross profit from sales of industrial robots and intelligent manufacturing systems, partially offset by an RMB7.6 million decline in gross profit from sales of core automation components and motion control systems. Our gross profit margin declined from 32.9% in 2022 to 31.3% in 2023, reflecting margin contraction in the segment of industrial robots and intelligent manufacturing systems, as well as core automation components and motion control systems.

Our gross profit attributable to sales of industrial robots and intelligent manufacturing systems increased by 20.8% from RMB901.0 million in 2022 to RMB1,088.2 million in 2023, primarily in line with revenue growth. However, the gross profit margin for this segment declined from 31.7% in 2022 to 30.3% in 2023, primarily due to our strategic price adjustments implemented to attract key account customers with significant demands.

Our gross profit attributable to sales of core automation components and motion control systems declined by 2.1% from RMB359.3 million in 2022 to RMB351.7 million in 2023 and the gross profit margin for this business line decreased from 35.0% to 33.8% during the same period, primarily attributable to our strategic decision to increase the volume of orders for certain products with moderate profit margins in 2023, with the objective of expanding our customer base as part of our broader strategy to enhance market penetration.

Other Net Income

Our other net income increased by 1.6% from RMB137.0 million in 2022 to RMB139.2 million in 2023, primarily driven by (i) an RMB19.3 million increase in VAT super deductions and refunds, which was mainly due to the growth in revenue from our software-focused PRC subsidiaries, which benefited from VAT deductions under favorable government policies in the PRC; and (ii) a decrease in net loss on disposal of subsidiaries of RMB14.2 million, partially offset by a decrease in realized and unrealized gain or loss on other financial assets measured at FVPL of RMB22.1 million, primarily reflecting changes in the fair value of our investments in unlisted securities and funds.

Selling expenses

Our selling expenses increased by 36.4%, from RMB292.8 million in 2022 to RMB399.3 million in 2023, primarily attributable to (i) a rise of RMB36.7 million in staff costs, mainly driven by the expansion of our sales teams, (ii) an increase of RMB27.9 million in travel expenses, primarily due to our heightened marketing and sales activities aimed at leveraging industry growth, and (iii) an increase of RMB15.1 million in advertising and exhibition expenses, as we participated in more exhibitions to promote our products.

Administrative Expenses

Our administrative expenses increased by 12.0% from RMB416.6 million in 2022 to RMB466.4 million in 2023, primarily attributable to (i) an increase of RMB13.4 million in professional and consulting fees, mainly due to our engagement of a third-party consulting firm to provide services aimed at formulating development strategies and enhancing our operational efficiency; and (ii) an increase of RMB10.2 million in depreciation and amortization expenses, primarily attributable to the completion of our new office buildings.

Research and Development Expenses

Our research and development expenses grew by 26.3% from RMB307.6 million in 2022 to RMB388.5 million in 2023, primarily driven by (i) an increase of RMB68.7 million in staff costs, reflecting our continued investment in expanding the research and development team and offering competitive salaries to attract top talent, and (ii) an increase of RMB6.1 million in material expenses, primarily due to our sustained investment in research and development initiatives.

Finance Costs

Our finance costs increased by 38.8% from RMB94.0 million in 2022 to RMB130.5 million in 2023, primarily due to an increase of RMB38.0 million in interest on bank loans and other borrowings, mainly due to higher bank borrowings to support our working capital needs.

Share of Profits less Losses of Associates

Our share of profits less losses of associates increased significantly from RMB3.8 million in 2022 to RMB12.4 million in 2023, primarily because certain of our associates were still in their early-stage of development, with substantial R&D investments driving negative profitability.

Income Tax

Our income tax decreased by 57.6% from RMB80.0 million in 2022 to RMB33.9 million in 2023, primarily attributable to our decreased profit before taxation.

Our effective income tax rate, being income tax as a percentage of profit/(loss) for the period, was 30.4% and 20.2% in 2023 and 2024, respectively.

Profit/(loss) for the Year

As a result of the foregoing, our profit for the year decreased by 27.2% from RMB183.6 million in 2022 to RMB133.6 million in 2023. Our net profit margin was 4.7% and 2.9% in 2022 and 2023, respectively.

DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current Assets				
Property, plant and equipment	916,167	1,321,846	1,513,277	1,554,716
Investment property	–	–	–	52,826
Right-of-use assets	226,767	241,468	267,756	247,906
Intangible assets	455,064	553,358	560,502	560,509

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Goodwill	1,485,681	1,485,681	1,104,079	1,044,588
Interests in associates	52,565	85,324	46,308	263,858
Financial assets measured at FVOCI	134,480	141,440	180,208	173,261
Financial assets measured at fair value through profit or loss ("**FVPL**")	262,214	291,572	213,732	221,182
Trade and other receivables	58,117	61,454	18,652	28,967
Deferred tax assets	175,854	206,619	172,630	130,997
Total non-current assets	**3,766,909**	**4,388,762**	**4,077,144**	**4,278,810**
Current Assets				
Inventories	1,130,490	1,340,221	1,721,045	1,446,241
Contract assets	121,414	203,712	168,646	229,697
Trade and other receivables	1,920,889	2,454,865	2,557,475	2,812,345
Income tax recoverable	14,532	30,724	30,740	22,947
Financial assets measured at FVPL	578,115	435,820	388,913	170,136
Restricted bank deposits	49,972	31,142	15,832	51,291
Cash and cash equivalents	668,322	1,196,253	1,181,104	1,121,966
Total current assets	**4,483,734**	**5,692,737**	**6,063,755**	**5,854,623**
Current Liabilities				
Trade and other payables	1,582,591	2,299,421	2,555,557	2,658,426
Contract liabilities	249,105	297,507	505,014	520,383
Bank loans and other borrowings	1,453,271	2,404,602	2,929,370	2,811,806
Lease liabilities	13,517	12,522	20,120	17,864
Income tax payable	19,373	10,541	2,271	16,836
Total current liabilities	**3,317,857**	**5,024,593**	**6,012,332**	**6,025,315**
Net Current Assets/(Liabilities)	**1,165,877**	**668,144**	**51,423**	**(170,692)**
Total assets less current liabilities	**4,932,786**	**5,056,906**	**4,128,567**	**4,108,118**

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current Liabilities				
Bank loans and other borrowings	1,430,092	1,809,984	1,792,601	1,624,891
Lease liabilities	54,772	43,005	67,300	64,265
Defined benefit plan obligations	190,619	198,964	201,582	236,510
Deferred income	59,726	49,775	68,055	97,765
Provisions	34,156	37,716	37,144	65,752
Deferred tax liabilities	82,077	93,086	66,795	32,703
Other non-current liabilities	11,438	2,362	2,388	2,483
Total non-current liabilities	**1,862,880**	**2,234,892**	**2,235,865**	**2,124,369**
Net assets	**3,069,906**	**2,822,014**	**1,892,702**	**1,983,749**

Property, Plant and Equipment and Investment Property

Our property, plant and equipment consist of (i) freehold land; (ii) plant and buildings; (iii) machinery and equipment; (iv) motor vehicles; (v) office equipment and others; and (vi) construction in progress.

The carrying amount of our property, plant and equipment increased from RMB916.2 million as of December 31, 2022, to RMB1,321.8 million as of December 31, 2023, then to RMB1,513.3 million as of December 31, 2024, and further to RMB1,554.7 million as of September 30, 2025. This growth was primarily attributable to increases in the net carrying amount of construction in progress, mainly resulting from our ongoing investments in manufacturing facilities, reflecting our efforts to enhance production capabilities and technological innovation. In 2022, we commenced the construction of our manufacturing facility for industrial robots in Nanjing, Jiangsu Province. In 2023, we initiated the development of our manufacturing premises in Foshan, Guangdong Province for industrial robots. As of the Latest Practicable Date, we have completed the construction of these manufacturing facilities. In 2024, we began the construction of our production plant in Poland for industrial robots and welding automation systems, and we had completed the phase I construction as of the Latest Practicable Date.

Our investment property represents the premises we held for leasing purposes. The carry amount of our investment property was RMB52.8 million as of September 30, 2025. Our Directors assessed if there is any indication of impairment for property, plant and equipment and investment property at the end of each reporting period, and, where any such indication exists, determined the recoverable amount of these assets, which are the higher of their fair value less costs of disposal and their value in use. Based on our assessment, we did not make any impairment for property, plant and equipment and investment property in 2022, 2023, 2024 and the nine months ended September 30, 2025.

See "Business — Manufacturing — Manufacturing Facilities" and Note 11 to the Accountants' Report set out in Appendix I to this prospectus for more details.

Right-of-use Assets

Our right-of-use assets represent our rights to utilize underlying assets over the lease term. These assets primarily include leasehold land, plant and buildings, as well as machinery and equipment, which are utilized in our operations. We recognize right-of-use assets at the lease commencement date, which is the date when the underlying asset is available for use. The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date, initial direct costs incurred, and an estimate of costs to dismantle, remove, or restore the underlying asset or site, less any lease incentives received. The right-of-use assets are subsequently stated at cost, less accumulated depreciation and any impairment losses. Depreciation is calculated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset. For details of the accounting policy of right-of-use assets, see Note 2(i) to the Accountants' Report set out in Appendix I to this prospectus.

The carrying amount of our right-of-use assets increased from RMB226.8 million as of December 31, 2022 to RMB241.5 million as of December 31, 2023, and further to RMB267.8 million as of December 31, 2024, respectively. The continuous increase in the carrying amount of our right-of-use assets was primarily attributable to the addition of leasehold land to support our operations in China. The carrying amount of our right-of-use assets remained relatively stable at RMB247.9 million as of September 30, 2025.

Our Directors assessed if there is any indication of impairment for right-of-use assets at the end of each reporting period, and, where any such indication exists, determined the recoverable amount of these assets, which are the higher of their fair value less costs of disposal and their value in use. Based on our assessment, we did not make any impairment for right-of-use assets in 2022, 2023, 2024 and the nine months ended September 30, 2025.

See Note 12 to the Accountants' Report set out in Appendix I to this prospectus for more details.

Intangible Assets

Our intangible assets represent (i) software, (ii) non-patented technologies, (iii) concessions, (iv) patented technologies, (v) trademarks, and (vi) development costs.

The net carrying amount of our intangible assets increased from RMB455.1 million as of December 31, 2022, to RMB553.4 million as of December 31, 2023, and further to RMB560.5 million as of December 31, 2024, primarily due to continuous additions in capitalized development costs, reflecting our consistent investment in R&D. The net carrying amount of our intangible assets remained stable at RMB560.5 million as of September 30, 2025.

Our Directors assessed indications of impairment for intangible assets at each reporting date in accordance with IAS 36.

Impairment tests for non-patented technologies

Impairment losses of RMB15.6 million, in respect of certain non-patented technologies which were iterated and that could not generate future economic benefits, were provided against for impairment for the year ended December 31, 2024. These non-patented technologies were fully impaired.

Impairment tests for development costs

Development costs related to certain robotic R&D projects of Carl Cloos amounted to RMB28.0 million, RMB24.5 million and RMB22.1 million as of December 31, 2022, 2023 and 2024, respectively. These development costs form part of CGU of Carl Cloos, the impairment tests of which is disclosed in "— Goodwill." See Note 14 to the Accountants' Report set out in Appendix I of this prospectus for details.

The remaining development costs related to other certain robotic R&D projects amounted to RMB79.8 million, RMB34.5 million and RMB26.7 million as of December 31, 2022, 2023 and 2024, respectively. The recoverable amounts of these development costs are determined based on excess earnings method. The key assumption used in the impairment tests is pre-tax discount rate. The pre-tax discount rate was 26.18%, 26.12% and 26.02% as of December 31, 2022, 2023 and 2024, respectively, and the recoverable amount of such development costs is estimated to exceed its carrying amount by approximately RMB16.6 million, RMB10.0 million, RMB13.4 million as of the same dates. If the pre-tax discount rate increased by 6.01%, 5.52% and 9.69% as of December 31, 2022, 2023 and 2024, respectively, the estimated recoverable amount will be equal to the carrying amount. Based on the sensitivity analysis above, our Directors concluded that a reasonably possible change in key parameters would not cause the carrying amount of development costs to exceed its recoverable amount as of December 31, 2022, 2023 and 2024.

Impairment tests for trademarks with indefinite useful lives

Trademarks with indefinite useful lives are related to Carl Cloos as of December 31, 2022, 2023 and 2024, and accordingly form part of the CGU of Carl Cloos. The impairment tests of these trademarks with indefinite useful lives is disclosed in "— Goodwill." See Note 14 to the Accountants' Report set out in Appendix I of this prospectus for details.

We did not perform quantitative impairment test for above intangible assets not yet available for use or with indefinite useful lives as of September 30, 2025, since our accounting policy is to perform impairment test annually at year end, or more frequently if events or changes in circumstances indicate that they might be impaired in accordance with IAS 36, *Impairment of assets*. We did not identify any indication that the intangible assets not yet available for use or with indefinite useful live would be impaired as of September 30, 2025.

See Note 13 to the Accountants' Report set out in Appendix I to this prospectus for more details.

Goodwill

Goodwill arising on the acquisition of businesses is measured at cost, net of accumulated impairment losses. We assess whether goodwill is impaired at least once annually. Impairment testing involves estimating the value in use of the cash-generating units ("**CGU**") to which goodwill has been allocated. This process requires us to estimate future cash flows expected to be derived from the cash-generating units and to apply an appropriate discount rate to determine the present value of those cash flows.

As of December 31, 2022 and December 31, 2023, the carrying amount of goodwill remained unchanged at RMB1,485.7 million. However, as of December 31, 2024, goodwill decreased to RMB1,104.1 million, primarily because we recognized impairment losses on goodwill amounting to RMB344.9 million in 2024. This was primarily due to the underperformance of certain subsidiaries, driven by reduced demand from specific downstream sectors, including heavy industry. Such financial underperformance of subsidiaries also reflected an industry-wide slowdown in the industrial robotics sector in 2024, leading to revenue of these subsidiaries falling short of expectations and negatively affecting our projected future cash flows. As of September 30, 2025, the carrying amount of goodwill further decreased to RMB1,044.6 million, resulting from our disposal of Yangzhou Shuguang in June 2025. For further details, see "History — Major Share Capital Changes and Development of Our Company — Disposal of Yangzhou Shuguang Optoelectronics Automation Co., Ltd. (揚州曙光光電自控有限責任公司) ("**Yangzhou Shuguang**")."

Impairment Tests for Goodwill

The carrying amount of goodwill is allocated to our Group's CGU, including (i) Carl Cloos; (ii) Yangzhou Shuguang; (iii) Trio Motion; (iv) M.A.i GmbH & Co. KG ("**M.A.i**"); (v) Estun Intelligent; (vi) Shanghai Prex Mfg. Co., Ltd., ("**Prex**"); and (vii) unit without significant goodwill. The following sets forth details of the carrying amount of goodwill allocated to groups of CGUs as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carl Cloos	1,015,207	1,015,207	767,461	857,182
Yangzhou Shuguang	215,289	215,289	157,625	–
Trio Motion	95,048	95,048	66,381	73,790
M.A.i	63,909	63,909	63,909	64,913
Estun Intelligent	41,324	41,324	41,324	41,324
Prex	54,904	54,904	–	–
Unit without significant goodwill	–	–	7,379	7,379
Total	**1,485,681**	**1,485,681**	**1,104,079**	**1,044,588**

The recoverable amounts of the respective CGUs are determined based on value-in-use calculation. We engaged independent professional valuers to assist with the calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated terminal growth rate of 0%. The discount rates used are pre-tax and reflect specific risks relating to the relevant industry, the CGUs themselves and the macro-environment. The key assumptions used in estimating the recoverable amount are as follows:

	As of December 31,		
	2022	2023	2024
	%	%	%
Annual revenue growth rate during the forecast period			
Carl Cloos	6.50-8.00	5.00-6.00	4.95-27.14
Yangzhou Shuguang	5.00-16.01	4.13-12.85	3.19-41.35
Trio Motion	2.26-10.11	2.00-8.33	3.00-9.79
M.A.i	1.15-4.46	1.00-4.43	3.00
Estun Intelligent	1.00-5.00	3.00	2.00
Prex	3.00-8.00	4.00-14.94	9.10-32.48
Pre-tax discount rate			
Carl Cloos	13.70	11.40	11.25
Yangzhou Shuguang	14.06	12.41	12.69
Trio Motion	16.89	15.25	16.94
M.A.i	13.86	12.79	12.82
Estun Intelligent	11.80	10.39	13.08
Prex	11.50	11.14	13.22

As of December 31, 2022 and 2023, the recoverable amount of Carl Cloos was estimated to exceed its carrying amount by approximately RMB374.1 million and RMB154.2 million, respectively. As of December 31, 2024, the recoverable amount of Carl Cloos was RMB203.6 million lower than its carrying amount, primarily because revenue and profitability of Carl Cloos fell short of forecast due to weaker demand from the construction machinery and heavy industry sectors. Carl Cloos's products are primarily used in power generation machinery, coal mining equipment and shipbuilding steel structures. In 2024, investment in the construction machinery and heavy industry sector declined due to a slowdown in global economic growth, prompting customers to exercise greater caution in capital expenditure and leading to reduced order intake for Carl Cloos. Accordingly, an impairment loss fully allocated to CGU of RMB203.6 million was recognized in profit or loss for the year ended December 31, 2024.

As of December 31, 2022 and 2023, the recoverable amount of Yangzhou Shuguang was estimated to exceed its carrying amount by approximately RMB1.3 million and RMB6.8 million, respectively. As of December 31, 2024, the recoverable amount of Yangzhou Shuguang attributable to our Group was RMB84.8 million lower than its carrying amount primarily because revenue and profitability of Yangzhou Shuguang fell short of forecast due to weaker demand from downstream sectors, particularly the construction machinery and heavy industry segments. Yangzhou Shuguang primarily produces core automation components and motion control systems, which are ultimately applied in motors, transformers and drive-control systems within these industries. In 2024, customers in these sectors tightened their capital expenditure budgets and implemented more stringent project approval and procurement processes, reflecting broader market and business environment considerations. This led to longer decision-making cycles, delays in product delivery, and a reduction in order intake. Accordingly, an impairment loss fully allocated to CGU attributable to our Group of RMB57.7 million was recognized in profit or loss for the year ended December 31, 2024.

As of December 31, 2022 and 2023, the recoverable amount of Trio Motion was estimated to exceed its carrying amount by approximately RMB1.9 million and RMB2.4 million, respectively. As of December 31, 2024, the recoverable amount of Trio Motion was RMB28.7 million lower than its carrying amount primarily because revenue and profitability of Trio Motion fell short of forecast. Trio serves downstream customers across several industry segments, primarily including packaging, logistics, machine tools and semiconductors. From 2023 to 2024, Trio expanded its sales team as part of its strategy to develop new sales channels in the South Asian market. While overall revenue remained stable during this period, the newly established sales team has yet to fully ramp up and translate these their efforts into the anticipated business results, leading to higher selling expenses and, consequently, profitability falling short of expectations. Accordingly, an impairment loss fully allocated to CGU of RMB28.7 million was recognized in profit or loss for the year ended December 31, 2024.

As of December 31, 2022, 2023 and 2024, the recoverable amount of M.A.i was estimated to exceed its carrying amount by approximately RMB3.4 million, RMB5.9 million and RMB3.9 million, respectively.

As of December 31, 2022, 2023 and 2024, the recoverable amount of Estun Intelligent was estimated to exceed its carrying amount by approximately RMB5.3 million, RMB8.2 million and RMB10.0 million, respectively.

As of December 31, 2022 and 2023, the recoverable amount of Prex was estimated to exceed its carrying amount by approximately RMB1.2 million and RMB4.2 million, respectively. As of December 31, 2024, the recoverable amount of Prex was RMB54.9 million lower than its carrying amount, primarily because Prex's revenue fell short of forecast, primarily due to changes in the downstream traditional automotive sector. The industry in which Prex operates, namely peripheral equipment for die casting machines, is closely linked to traditional automotive manufacturing. As competition intensified due to the accelerating transition to new energy vehicles, many traditional automakers tightened cost controls and adjusted their capacity planning, which softened demand for such equipment. During the same period, as we commenced cooperation with certain new customers, we encountered difficulties in coordination across various stages of product delivery, which led to delays from the original schedule. As a result, the recoverable amount of those projects was lower than their carrying amount. Accordingly, an impairment loss fully allocated to CGU of RMB54.9 million was recognized in profit or loss for the year ended December 31, 2024.

We did not perform quantitative impairment test for above goodwill as of September 30, 2025, since our accounting policy is to perform impairment test annually at year end, or more frequently if events or changes in circumstances indicate that they might be impaired in accordance with IAS 36, *Impairment of assets*. We did not identify any indication that the goodwill would be impaired as of September 30, 2025.

See Note 14 to the Accountants' Report set out in Appendix I to this prospectus for more details.

Interests in Associates

Our interests in associates increased from RMB52.6 million as of December 31, 2022 to RMB85.3 million in 2023, primarily because we increased investments in certain associates. Our interests in associates decreased to RMB46.3 million as of December 31, 2024, primarily reflecting the adjustments to our equity interests in certain associates. Our interests in associates substantially increased from RMB46.3 million as of December 31, 2024 to RMB263.9 million as of September 30, 2025, primarily resulting from our disposal of partial equity interests in Yangzhou Shuguang in June 2025. Upon completion of such disposal, Yangzhou Shuangguang ceased to be our subsidiary and was regarded as an associate of our Company.

Inventories

Our inventories comprise (i) raw materials, (ii) work in progress, (iii) finished goods, (iv) goods in transit, (v) goods delivered to customers, and (vi) contract costs. During the Track Record Period, our raw materials primarily consisted of reducers, valve blocks, large non-standard fabricated components, as well as tooling and fixture equipment. Work in progress refers to partially completed products and intelligent manufacturing systems that are still in the process of production. Finished goods include products ready for transit at our production plants. Goods delivered to customers are those that have not yet been accepted through the inspection process. Contract costs refer to direct costs we incurred to satisfy a contract and deliver the promised products. Under IFRS 15, we capitalize costs to fulfill a contract when such costs (i) relate directly to an existing contract or a specifically identifiable anticipated contract, (ii) generate or enhance resources that will be used in satisfying performance obligations in the future, and (iii) are expected to be recoverable. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	629,826	495,149	416,411	437,161
Work in progress	138,039	326,774	474,491	498,584
Finished goods	245,408	401,586	575,067	431,056
Goods in transit	–	–	2,929	1,592
Goods delivered to customers	57,317	46,222	133,434	30,473
	1,070,590	1,269,731	1,602,232	1,398,866
Contract costs	117,979	144,767	231,259	151,894
Write-down of inventories	(58,079)	(74,277)	(112,546)	(104,519)
Total	**1,130,490**	**1,340,221**	**1,721,045**	**1,446,241**

Our inventories increased by 18.6% from RMB1,130.5 million as of December 31, 2022, to RMB1,340.2 million as of December 31, 2023, primarily reflecting (i) an increase of RMB188.7 million in work in progress, primarily because we gradually transitioned certain materials previously outsourced to in-house production for cost reduction purposes, and (ii) an increase of RMB156.2 million in finished goods, as we stocked certain general-purpose models to ensure a rapid response to needs of our key account customers. Our inventories further increased by 28.4% to RMB1,721.0 million as of December 31, 2024, primarily reflecting (i) an increase of RMB173.5 million in finished goods, as we stocked certain general-purpose models to ensure a rapid response to needs of our key account customers; and (ii) an increase of RMB147.7 million in work in progress, mainly due to our increased orders for intelligent manufacturing systems in 2024, which are characterized by extended production cycles, leading to a temporary buildup of work-in-progress inventory. Our inventories decreased by 16.0% to RMB1,446.2 million as of September 30, 2025, primarily reflecting a decrease of RMB144.0 million in finished goods in response to rising market demand.

We make provisions to write down our inventories to their net realizable value if their expected net realizable value is lower than their costs. Inventories are measured 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 costs of completion and the estimated costs necessary to make the sale, including selling expenses and any applicable taxes. In addition, we assess inventory based on its aging and make corresponding provisions for write-downs when inventory items exceed certain time thresholds. As of December 31, 2022, 2023, and 2024 and September 30, 2025, our write-down of inventories amounted to RMB58.1 million, RMB74.3 million, RMB112.5 million and RMB104.5 million, respectively. The fluctuations in our write-down of inventories during the Track Record Period was primarily in line with the fluctuations of our inventories. Our Directors are of the view that, during the Track Record Period, the provisions made to write down our inventories were sufficient.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of September 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	995,772	1,111,973	1,465,494	1,091,548
1 to 2 years	84,039	150,820	159,090	260,718
2 to 3 years	35,431	53,923	72,564	76,058
More than 3 years	15,249	23,503	23,896	17,917
Total	**1,130,490**	**1,340,221**	**1,721,045**	**1,446,241**

The following table sets forth the number of our inventory turnover days for the periods indicated:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
Inventory turnover days[1] . .	138	141	194	158

Note:

(1) Calculated as the average of the opening and closing inventory balances for the period, divided by the cost of sales for the relevant period, multiplied by 365 days for the years ended December 31, 2022, 2023 and 2024, or 273 days for the nine months ended September 30, 2025.

Our inventory turnover days remained relatively stable at 138 days and 141 days in 2022 and 2023, respectively. Our inventory turnover days further increased to 194 days in 2024, primarily driven by our proactive strategy of maintaining higher inventory levels of certain general-purpose models to promptly meet the needs of our key account customers and ensure operational readiness. Our inventory turnover days decreased to 158 days in the first nine months of 2025, primarily because we strengthened our make-to-order production model and enhanced the management of finished goods inventory.

As of December 31, 2025, approximately RMB353.2 million, or 22.8% of our inventories as of September 30, 2025, had been subsequently recognized as cost of sales. The slow recognition of inventories after September 30, 2025 was primarily because certain products required a relatively long period of commissioning and validation before fulfillment, during which they had not yet met the conditions for revenue recognition. In addition, we kept inventories of certain raw materials to meet regular demand and provide a buffer for potential excess demand. We will continue to optimize our inventory management, including procuring raw materials in accordance with production plans and regularly monitoring inventory levels to ensure an appropriate inventory position.

Contract Assets

Our contract assets are recognized when we recognize revenue before being unconditionally entitled to considerations under the terms in the contracts. Our contract assets increased from RMB121.4 million as of December 31, 2022 to RMB203.7 million as of December 31, 2023, primarily because we proactively accelerated the settlement progress in our European subsidiaries at the end of 2022 in response to geopolitical tensions, which resulted in a relatively low contract asset balance as of December 31, 2022. In 2023, the settlement process normalized, leading to a higher year-end balance. Our contract assets decreased to RMB168.6 million as of December 31, 2024, primarily due to the completion of certain overseas projects in 2024. Our contract assets increased to RMB229.7 million as of September 30, 2025, primarily attributable to higher prepayment from customers, driven by the growth of orders.

As of December 31, 2025, approximately RMB67.9 million, or 29.0% of our contract assets as of September 30, 2025, had been subsequently recognized as revenue.

Trade and Other Receivables

Our trade and other receivables primarily consist of (i) trade receivables, which primarily represent outstanding amounts due from our customers and distributors for products sold in the ordinary course of our business; (ii) bills receivable, primarily relating to the bank and commercial bills received from customers and distributors; (iii) bills receivable, measured at FVOCI; (iv) amounts due from related parties; (v) value-added tax recoverable; (vi) prepayments to third-party suppliers for the procurement of raw materials or components; and (vii) other receivables, mainly related to advance to employees and deposits.

Our trading terms with customers are predominantly on credit, with the credit period generally up to six months. Trade receivables are typically settled in accordance with the terms stipulated in the respective contracts.

The following table sets forth a breakdown of our trade and other receivables as of the dates indicated:

	As of December 31,			As of September 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Trade receivables	1,329,064	1,707,171	1,921,485	2,103,101
Less: loss allowance	(79,737)	(109,701)	(144,928)	(127,750)
Bills receivable	208,959	54,852	146,969	68,773
Net trade and bill receivables measured at amortized cost	1,458,286	1,652,322	1,923,526	2,044,124
Bills receivable, measured at FVOCI	296,140	671,921	483,536	557,580
Amounts due from related parties	100	864	825	8,616
Value-added tax recoverable	9,884	38,307	65,256	43,165
Prepayments	99,658	57,693	44,387	51,278
Listing expenses to be capitalized	–	–	–	16,434

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables arising from disposal of interests in subsidiaries and associates	–	–	–	46,060
Other receivables.	56,821	33,758	39,945	45,088
Total trade and other receivables – current . . .	**1,920,889**	**2,454,865**	**2,557,475**	**2,812,345**
Non-current				
Long-term deferred expenses	36,214	23,923	9,048	6,650
Prepayment for the purchase of property, plant and equipment and intangible assets	20,800	37,531	9,604	22,317
Other receivables.	1,103	–	–	–
Total trade and other receivables – non-current.	**58,117**	**61,454**	**18,652**	**28,967**

The current portion of trade and other receivables increased from RMB1,920.9 million as of December 31, 2022, to RMB2,454.9 million as of December 31, 2023, primarily attributable to our growing sales. The current portion of trade and other receivables further increased to RMB2,557.5 million as of December 31, 2024, and further increased to RMB2,812.3 million as of September 30, 2025, primarily due to (i) higher trade volumes with certain automotive customers who had relatively long payment cycles, and (ii) extended payment cycles of customers in the PV industry due to a market downturn.

We assess the recoverability of trade and other receivables on a forward-looking basis by estimating expected credit losses ("**ECL**"s). Our Directors estimate that the credit risk of trade receivables from certain customers (who have, among others, significant financial difficulties, enter bankruptcy or other financial reorganization) are high. The measurement of ECLs on those trade receivables with high credit risk are assessed on an individual basis. Our evaluation of other trade receivables incorporates historical settlement patterns, current credit conditions, and forward-looking information to account for changes in credit risk since initial recognition. Trade and other receivables are reviewed periodically, and impairment losses are recognized through a loss allowance account when necessary. Our Directors are of the view that there's no material recoverability issue for trade receivables and sufficient provision has been made for ECLs.

The following table sets forth an aging analysis of our trade receivables and bills receivable, based on past due information and net of loss allowance, as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,676,521	2,235,568	2,039,229	2,367,118
1 to 2 years	87,505	121,019	420,725	252,131
2 to 3 years	25,318	36,010	58,158	93,780
More than 3 years	44,819	41,347	33,878	16,425
Less: loss allowance	(79,737)	(109,701)	(144,928)	(127,750)
Total	**1,754,426**	**2,324,243**	**2,407,062**	**2,601,704**

The following table sets forth the number of our trade and bill receivables turnover days for the periods indicated:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
Trade and bill receivables turnover days[(1)]	135	160	215	180

Note:

(1) Calculated as the average of the opening and closing balances of trade and bill receivables for the period, net of loss allowance, divided by revenue for the relevant period, multiplied by 365 days for the years ended December 31, 2022, 2023 and 2024, or 273 days for the nine months ended September 30, 2025.

Our trade and bill receivables turnover days increased from 135 days in 2022 to 160 days in 2023, and further to 215 days in 2024, as the growth in trade and bill receivables outpaced the increase in revenue, which was primarily attributable to (i) our decision to offer more favorable credit terms to key account customers as part of our strategy to enhance market penetration; and (ii) the prolonged payment cycles of certain customers, particularly those in the photovoltaic industry. Our trade and bill receivables turnover days decreased to 180 days in the first nine months of 2025, primarily attributable to our enhanced measures in payment collection and proactive approach in shortening payment cycles of certain customers.

As of December 31, 2025, approximately RMB818.0 million, or 38.9% of our trade receivables as of September 30, 2025, had been settled. The delayed settlement of trade receivables is primarily due to (i) the granting of extended credit terms to certain key customers, (ii) lengthy payment processes of some customers, (iii) customers' tendency to arrange payments at the end of each quarter. We have established a dedicated department to continuously monitor and track the collection of trade receivables. For customers with overdue payments, we promptly analyze the reasons for the delay and takes appropriate measures to facilitate collection.

Financial Assets Measured at FVPL

Our non-current financial assets measured at FVPL comprise investments that are not held for trading, including investments in unlisted equity securities and unlisted units in investment funds. The carrying amount of our non-current financial assets measured at FVPL increased from RMB262.2 million as of December 31, 2022, to RMB291.6 million as of December 31, 2023, primarily due to an increase in the fair value of our fund investments and unlisted equity securities. However, our non-current financial assets measured at FVPL decreased to RMB213.7 million as of December 31, 2024, primarily driven by (i) the recovery of our investments in an industrial fund; and (ii) a decline in the fair value of our fund investments and unlisted equity securities. The carrying amount of our non-current financial assets measured at FVPL remained relatively stable at RMB221.2 million as of September 30, 2025.

Our current financial assets measured at FVPL primarily consist of investments in wealth management products, with a small portion representing the current portion of our fund investments.

As part of our cash management policy, we purchase wealth management products to better utilize our idle cash without interfering with our business operations or capital expenditures. During the Track Record Period, we purchased structured deposits issued by reputable commercial banks in the PRC, with a floating return being paid together with the principal on the maturity date, which were recognized as financial assets measured at FVPL. To monitor and control the investment risks associated with our investment in wealth management products, we have adopted a comprehensive set of internal policies and guidelines. All investment proposals for the purchase of wealth management products must be submitted for approval by our financial director. We base our investment decisions on our financial position and risk appetite, taking into account factors such as investment duration, expected returns, and risk assessment. Our wealth management investments are primarily concentrated in low- to medium-risk financial products provided by reputable banks and securities institutions. We strictly avoid investments in stocks, stock derivatives, or unsecured bonds. Following our Listing, any investments in financial assets measured at FVPL, particularly our purchases of wealth management products, will need to comply with the requirements of Chapter 14 of the Listing Rules. Depending on the applicable percentage ratios (as defined under the Listing Rules) associated with these investments, such transactions may trigger obligations for reporting, announcements, issuance of circulars to shareholders, or may even require shareholders' approval.

The carrying amount of our current financial assets measured at FVPL decreased from RMB578.1 million as of December 31, 2022, to RMB435.8 million as of December 31, 2023, then to RMB388.9 million as of December 31, 2024, and further to RMB170.1 million as of September 30, 2025, primarily because we gradually reduced our investments in wealth management products to prioritize liquidity and meet our working capital needs.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of our current bank deposits which are not subject to any restrictions. Our cash and cash equivalents amounted to RMB668.3 million, RMB1,196.3 million, RMB1,181.1 million and RMB1,122.0 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

Trade and Other Payables

Our trade and other payables primarily include (i) trade payables, representing balances due to our suppliers; (ii) bills payable, representing debt instruments issued by us to suppliers; (iii) accrued payrolls; (iv) payables for property, plant and equipment; (v) other tax payables such as VAT and property tax; and (vi) other payables and accruals, mainly representing unpaid expense reimbursements, short-term advances, deposits and guarantees. During the Track Record Period, our suppliers generally granted us credit periods ranging from three to six months upon receipt of the VAT invoices.

The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,			As of September 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	819,913	1,132,316	1,439,547	1,622,787
Bills payable	460,208	690,988	648,994	524,156
Accrued payrolls	100,598	108,677	79,987	94,606
Payables for property, plant and equipment	18,522	162,861	119,108	113,653
Other tax payables	67,922	44,919	36,439	48,791
Other payables and accruals	115,428	159,660	231,482	254,433
Total	**1,582,591**	**2,299,421**	**2,555,557**	**2,658,426**

Our trade and other payables increased from RMB1,582.6 million as of December 31, 2022, to RMB2,299.4 million as of December 31, 2023. Specifically, during this period: (i) trade payables increased from RMB819.9 million to RMB1,132.3 million, primarily due to increased credit-based purchases, enabled by our enhanced bargaining power stemming from economies of scale, (ii) bills payable rose from RMB460.2 million to RMB691.0 million, mainly due to higher procurement volumes, (iii) other tax payables decreased from RMB67.9 million to RMB44.9 million, and (iv) other payables and accruals grew from RMB115.4 million to RMB159.7 million, driven by a rise in commercial acceptance bills that had been endorsed and transferred but had not yet matured during the reporting period.

Our trade and other payables further increased from RMB2,299.4 million as of December 31, 2023, to RMB2,555.6 million as of December 31, 2024. Specifically, during this period: (i) trade payables rose from RMB1,132.3 million to RMB1,439.5 million, primarily because we successfully secured more favorable payment terms with certain suppliers by leveraging our economies of scale, (ii) bills payable decreased from RMB691.0 million to RMB649.0 million, reflecting the maturity and settlement of bills payable; (iii) other tax payables declined from RMB44.9 million to RMB36.4 million, as starting from early 2024, we benefited from an additional tax deduction policy, which allowed for retrospective application to input VAT from 2023; and (iv) other payables and accruals increased from RMB159.7 million to RMB231.5 million, driven by a rise in commercial acceptance bills that had been endorsed and transferred but had not yet matured during the reporting period.

Our trade and other payables further increased from RMB2,555.6 million as of December 31, 2024 to RMB2,658.4 million as of September 30, 2025. Specifically, during this period: (i) trade payables increased from RMB1,439.5 million to RMB1,622.8 million, primarily due to increased credit-based purchases, enabled by our enhanced bargaining power stemming from economies of scale, and (ii) other payables and accruals increased from RMB231.5 million to RMB254.4 million, mainly due to amounts received by us in connection with our restricted share award scheme, which were subject to repurchase obligations.

The following table sets forth an aging analysis of our trade and bill payables, based on the invoice date, as of the dates indicated:

	As of December 31,			As of September 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,240,833	1,780,738	2,016,275	2,105,858
1 to 2 years	26,158	24,156	58,975	34,296
2 to 3 years	3,308	10,347	4,385	4,860
More than three years	9,822	8,063	8,906	1,929
Total	**1,280,121**	**1,823,304**	**2,088,541**	**2,146,943**

The following table sets forth the number of our trade and bill payables turnover days for the periods indicated:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
Trade and bill payables turnover days[1]	136	177	248	212

Note:

(1) Calculated as the average of the opening and closing balances of trade and bill payables for the period divided by the cost of sales for the relevant period, multiplied by 365 days for the years ended December 31, 2022, 2023 and 2024, or 273 days for the nine months ended September 30, 2025.

Our trade and bill payables turnover days increased from 136 days in 2022 to 177 days in 2023, and further to 248 days in 2024, primarily driven by a rise in credit-based purchases and our ability to secure more favorable payment terms from suppliers, facilitated by our strengthened bargaining power resulting from economies of scale. Our trade and bill payables turnover days decreased to 212 days in the first nine months of 2025, mainly due to our proactive approach in accelerating the payment process with our suppliers to ensure our procurement can timely support our manufacturing process and to support the sustainable development of our supply chain.

As of December 31, 2025, approximately RMB744.0 million, or 45.8% of our trade payables as of September 30, 2025, had been settled.

Contract Liabilities

Our contract liabilities primarily represent prepayments received from certain customers for the sale of products.

The balance of our contract liabilities increased from RMB249.1 million as of December 31, 2022, to RMB297.5 million as of December 31, 2023, then to RMB505.0 million as of December 31, 2024, and further to RMB520.4 million in the first nine months of 2025, primarily because of increased prepayments from customers.

As of December 31, 2025, RMB109.9 million, or 21.1% of our contract liabilities as of September 30, 2025, had been subsequently recognized as revenue.

NET CURRENT ASSETS/(LIABILITIES)

The following table sets forth our current assets, current liabilities and net current assets/(liabilities) as of the dates indicated:

	As of December 31,			As of September 30,	As of December 31,
	2022	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)
Current Assets					
Inventories	1,130,490	1,340,221	1,721,045	1,446,241	1,451,353
Contract assets	121,414	203,712	168,646	229,697	211,417
Trade and other receivables	1,920,889	2,454,865	2,557,475	2,812,345	2,769,405
Income tax recoverable	14,532	30,724	30,740	22,947	14,333
Financial assets measured at FVPL	578,115	435,820	388,913	170,136	82,223
Restricted bank deposits	49,972	31,142	15,832	51,291	22,211
Cash and cash equivalents	668,322	1,196,253	1,181,104	1,121,966	872,596
Total current assets	**4,483,734**	**5,692,737**	**6,063,755**	**5,854,623**	**5,423,538**
Current Liabilities					
Trade and other payables	1,582,591	2,299,421	2,555,557	2,658,426	2,603,666
Contract liabilities	249,105	297,507	505,014	520,383	582,126
Bank loans and other borrowings	1,453,271	2,404,602	2,929,370	2,811,806	2,044,440
Lease liabilities	13,517	12,522	20,120	17,864	17,129
Income tax payable	19,373	10,541	2,271	16,836	9,804
Total current liabilities	**3,317,857**	**5,024,593**	**6,012,332**	**6,025,315**	**5,257,165**
Net Current Assets/(Liabilities)	**1,165,877**	**668,144**	**51,423**	**(170,692)**	**166,373**

We recorded net current assets of RMB166.4 million as of December 31, 2025, as compared to net current liabilities of RMB170.7 million as of September 30, 2025, primarily due to (i) a decrease in bank loans and borrowings of RMB767.4 million, and (ii) a decrease in trade and other payables of RMB54.8 million, partially offset by a decrease in cash and cash equivalents of RMB249.4 million.

We recorded net current liabilities of RMB170.7 million as of September 30, 2025, as compared to net current assets of RMB51.4 million as of December 31, 2024, primarily due to (i) a decrease in inventories of RMB274.8 million mainly due to deceases in finished goods and goods delivered to customers; (ii) a decrease in financial assets measured at FVPL of RMB218.8 million due to redemption of wealth management products to repay our bank loans and the disposal of our equity interest in Yangzhou Shuguang; and (iii) an increase in trade and other payables of RMB102.9 million mainly resulting from longer credit terms granted to us by our suppliers, which were partially offset by (i) an increase in trade and other receivables of RMB254.9 million, primarily driven by higher trade volumes with certain automotive customers who had relatively long payment cycles, and (ii) a decrease in bank loans and other borrowings of RMB117.6 million.

Our net current assets decreased from RMB668.1 million as of December 31, 2023, to RMB51.4 million as of December 31, 2024, primarily as a result of our loss for the year of RMB817.7 million in 2024, which led to increased reliance on external financing and working capital support. Specifically, such decrease was mainly driven by (i) an increase in bank loans and other borrowings of RMB524.8 million to support our working capital needs; (ii) an increase in trade and other payables of RMB256.1 million, primarily because we successfully secured more favorable payment terms with certain suppliers by leveraging our economies of scale; and (iii) an increase in contract liabilities of RMB207.5 million, because of increased prepayments from customers, partially offset by an increase in inventories of RMB380.8 million.

Our net current assets decreased from RMB1,165.9 million as of December 31, 2022, to RMB668.1 million as of December 31, 2023, primarily due to (i) an increase in bank loans and other borrowings of RMB951.3 million to finance our acquisition of remaining equity interests in certain subsidiaries and our investment in construction projects to enhance our manufacturing capabilities; (ii) an increase in trade and other payables of RMB716.8 million, primarily due to increased credit-based purchases, enabled by our enhanced bargaining power stemming from economies of scale; and (iii) a decrease in financial assets measured at FVPL of RMB142.3 million, primarily because we gradually reduced our investments in wealth management products to prioritize liquidity and meet our working capital needs, partially offset by (i) an increase in trade and other receivables of RMB534.0 million, primarily due to our growing sales; and (ii) an increase in cash and cash equivalents of RMB527.9 million.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our capital expenditure and working capital requirements mainly through cash generated from operating activities and bank and other borrowings. As of December 31, 2022, 2023 and 2024 and September 30, 2025, we had cash and cash equivalents of RMB668.3 million, RMB1,196.3 million, RMB1,181.1 million and RMB1,122.0 million, respectively.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Net cash generated from/(used in) operating activities	17,482	714	(104,035)	(531,056)	300,061
Net cash (used in)/generated from investing activities	(262,041)	(678,175)	(192,494)	(230,765)	23,967
Net cash generated from/(used in) financing activities	253,870	1,200,946	288,729	610,868	(399,429)
Net increase/(decrease) in cash and cash equivalents	**9,311**	**523,485**	**(7,800)**	**(150,953)**	**(75,401)**
Cash and cash equivalents at the beginning of the period	652,937	668,322	1,196,253	1,196,253	1,181,104
Effect for foreign exchange rate changes	6,074	4,446	(7,349)	191	16,263
Cash and cash equivalents at the end of the period	**668,322**	**1,196,253**	**1,181,104**	**1,045,491**	**1,121,966**

Net Cash Generated from/(Used in) Operating Activities

We recorded net cash used in operating activities in 2024 and the first nine months of 2025. For details, see "Business — Deteriorating Financial Performance — Our Financial Performance in 2024." To improve our net operating cash outflows position, we have implemented the following measures: (i) enhancing payment collection and proactively shortening the payment cycles of certain customers to reduce trade and bill turnover days; (ii) strengthening our make-to-order production model and improving the management of finished goods inventory to reduce inventory turnover days; and (iii) implementing initiatives to increase gross profit and control operational expenses, as detailed in "Business — Deteriorating Financial Performance — Measures for Managing Cost and Improving Operational Efficiency."

Net cash generated from operating activities in the first nine months of 2025 was RMB300.1 million, primarily consisting of a profit before taxation of RMB59.8 million, adjusted for certain non-cash and non-operating items. These adjustments primarily included: (i) financial costs of RMB119.5 million; (ii) depreciation of property, plant and equipment of RMB77.4 million; and (iii) amortisation of intangible assets of RMB46.8 million. The amount was further adjusted by changes in working capital, which primarily included: (i) a decrease in inventories of RMB248.2 million; and (ii) an increase in trade and other payables of RMB61.3 million, partially offset by an increase in trade and other receivables of RMB277.8 million.

Net cash used in operating activities in 2024 amounted to RMB104.0 million, primarily comprising a loss before taxation of RMB775.5 million, adjusted for certain non-cash and non-operating items. These adjustments primarily included (i) impairment losses on intangible assets and goodwill of RMB360.5 million; (ii) finance costs of RMB154.2 million; and (iii) depreciation of property, plant and equipment of RMB93.5 million. The amount was further adjusted by changes in working capital, which primarily included: (i) an increase in trade and other payables of RMB200.1 million; and (ii) an increase in contract liabilities of RMB197.7 million, partially offset by (i) an increase in inventories of RMB395.2 million; and (ii) an increase in trade and other receivables of RMB173.3 million.

Net cash generated from operating activities in 2023 was RMB714 thousand, primarily consisting of profit before taxation of RMB167.5 million, adjusted for certain non-cash and non-operating items. These adjustments primarily included: (i) finance costs of RMB130.5 million; (ii) depreciation of property, plant and equipment of RMB71.4 million; and (iii) amortization of intangible assets of RMB43.7 million. The amount was further adjusted by changes in working capital, which primarily included: (i) an increase in trade and other receivables of RMB654.2 million; and (ii) an increase in inventories of RMB235.4 million, partially offset by an increase in trade and other payables of RMB533.4 million.

Net cash generated from operating activities in 2022 totaled RMB17.5 million, primarily consisting of profit before taxation of RMB263.6 million, adjusted for certain non-cash and non-operating items. These adjustments primarily included: (i) finance costs of RMB94.0 million; (ii) depreciation of property, plant and equipment of RMB62.7 million; and (iii) realised and unrealised gains on other financial assets measured at FVPL of RMB52.8 million. The amount was further adjusted by changes in working capital, which primarily included: (i) an increase in trade and other receivables of RMB786.9 million; and (ii) an increase in inventories of RMB376.5 million, partially offset by an increase in trade and other payables of RMB747.2 million.

Net Cash (Used in)/Generated from Investing Activities

Our net cash generated from investing activities in the first nine months of 2025 was RMB24.0 million, primarily attributable to (i) proceeds from redemption of wealth management products of RMB1,857.8 million; (ii) net proceeds from disposal of interests in subsidiaries of RMB25.1 million; and (iii) deposits of disposal of interests in associates received of RMB23.2 million, partially offset by payment for purchase of wealth management products of RMB1,699.0 million.

Our net cash used in investing activities in 2024 was RMB192.5 million, primarily attributable to (i) payments for the purchase of wealth management products amounting to RMB1,773.2 million; and (ii) payments for purchase of property, plant and equipment, intangible assets, and right-of-use assets of RMB281.9 million, partially offset by proceeds from the redemption of wealth management products of RMB1,803.7 million.

Our net cash used in investing activities in 2023 amounted to RMB678.2 million, primarily due to (i) payments for the purchase of wealth management products of RMB1,300.1 million; (ii) payments for the acquisition of non-controlling interest of RMB401.2 million; and (iii) payments for purchase of property, plant and equipment, intangible assets and right-of-use assets of RMB300.4 million, partially offset by proceeds from the redemption of wealth management products of RMB1,436.9 million.

Our net cash used in investing activities in 2022 was RMB262.0 million, primarily driven by (i) payments for the purchase of wealth management products of RMB718.3 million; and (ii) payments for the acquisition of property, plant and equipment, intangible assets, and right-of-use assets of RMB189.1 million, partially offset by proceeds from the redemption of wealth management products of RMB737.2 million.

Net Cash Generated from/(Used in) Financing Activities

Our net cash used in financing activities in the first nine months of 2025 was RMB399.4 million, primarily attributable to repayment of bank loans of RMB2,467.4 million, partially offset by proceeds from bank loans of RMB2,154.5 million.

Net cash generated from financing activities in 2024 was RMB288.7 million, primarily comprising proceeds from bank loans of RMB3,515.5 million, partially offset by repayments of bank loans amounting to RMB3,046.3 million.

Net cash generated from financing activities in 2023 totaled RMB1,200.9 million, primarily consisting of proceeds from bank loans of RMB4,310.3 million, partially offset by repayments of bank loans of RMB3,212.8 million.

Net cash generated from financing activities in 2022 amounted to RMB253.9 million, primarily attributable to proceeds from bank loans of RMB1,956.0 million, partially offset by repayments of bank loans of RMB1,444.6 million.

WORKING CAPITAL SUFFICIENCY

During the Track Record Period, we met our working capital requirements mainly from cash generated from operations and bank borrowings. As of December 31, 2025, we had unutilized committed credit facilities of RMB2,981.6 million.

Taking into account the financial resources available to us, including our cash balances and existing credit facilities, net cash inflow from operating activities, the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and requirements for the next 12 months from the date of this prospectus.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

During the Track Record Period, our indebtedness primarily consisted of (i) bank loans and other borrowings and (ii) lease liabilities.

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of September 30,	As of December 31,
	2022	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Current					
Bank loans and other borrowings	1,453,271	2,404,602	2,929,370	2,811,806	2,044,440
Lease liabilities	13,517	12,522	20,120	17,864	17,129
	1,466,788	**2,417,124**	**2,949,490**	**2,829,670**	**2,061,569**
Non-current					
Bank loans and other borrowings	1,430,092	1,809,984	1,792,601	1,624,891	1,680,011
Lease liabilities	54,772	43,005	67,300	64,265	72,457
	1,484,864	**1,852,989**	**1,859,901**	**1,689,156**	**1,752,468**
Total	**2,951,652**	**4,270,113**	**4,809,391**	**4,518,826**	**3,814,037**

Bank Loans and Other Borrowings

The following table sets forth a breakdown of our bank loans and other borrowings as of the dates indicated:

	As of December 31,			As of September 30,	As of December 31,
	2022	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)
Current					
Short-term bank loans	814,276	1,514,007	1,838,959	1,307,000	946,073
Current portion of long-term bank loans	517,883	879,483	1,090,411	1,504,806	1,098,367
Loans from the controlling shareholder[(1)]	121,112	11,112	–	–	–
	1,453,271	**2,404,602**	**2,929,370**	**2,811,806**	**2,044,440**
Non-current					
Non-current portion of long-term bank loans	1,430,092	1,429,984	1,353,442	1,167,057	1,215,952
Redemption liabilities[(2)]	–	380,000	439,159	457,834	464,059
	1,430,092	**1,809,984**	**1,792,601**	**1,624,891**	**1,680,011**
Total	**2,883,363**	**4,214,586**	**4,721,971**	**4,436,697**	**3,724,451**

Notes:

(1) On April 24, 2020, we entered into a loan framework agreement with Nanjing Primest, one of our Controlling Shareholders. Under the terms of the agreement, we were granted a revolving loan facility of up to RMB270 million from Nanjing Primest and its ultimate beneficial owner, Mr. WU. The loan carried an annualized interest rate of 2.175% and was valid for a three-year period. We fully repaid the loan in 2023, prior to the agreement's maturity.

(2) On December 28, 2023 and April 19, 2024, Estun Intelligent entered into two share purchase agreements with external investors and our Company, among others, pursuant to which Estun Intelligent issued shares with redemption rights, liquidity preferences and anti-dilution rights to the external investors for a total cash consideration of RMB380.0 million and RMB35.0 million respectively.

Under the share purchase agreements, the external investors have the option to exit their investment by September 30, 2027, which can be achieved either through a qualified IPO of Estun Intelligent or by requiring our Company to conduct a private placement of new shares to purchase their equity interests in Estun Intelligent (referred to as the "Asset Securitization"). The choice of exit method rests with the external investors. Furthermore, they may exercise their put option to require our Company to repurchase all or part of their equity interests in Estun Intelligent under any of the following circumstances: (i) Estun Intelligent fails to complete the Asset Securitization by September 30, 2027; (ii) Estun Intelligent, our Company, or Mr. Wu Bo breaches any terms, commitments, representations, or warranties under the share purchase agreements, and such breaches are deemed by the external investors to have material adverse effect on Estun Intelligent; (iii) without the prior consent of the external investors, substantial deviations occur in Estun Intelligent's business operations, such as changes to its core business; (iv) the ultimate controlling party of Estun Intelligent or our Company changes; or (v) other events arise that pose a serious risk to the safety of the external investors' investment.

If any of the above circumstances arise, our Company shall redeem the issued shares at a price equal to the greater of: (i) the original consideration plus simple interest at 6% per annum; or (ii) the fair value of the relevant equity interests in Estun Intelligent. In accordance with our accounting policies, the issued shares were initially recognized at fair value and are subsequently measured at amortized cost, accruing interest at 6% per annum.

As of December 31, 2022, 2023 and 2024, September 30, 2025 and December 31, 2025, we had borrowings of RMB2,883.4 million, RMB4,214.6 million, RMB4,722.0 million, RMB4,436.7 million and RMB3,724.5 million, respectively, primarily comprising secured and unsecured bank loans obtained mainly to supplement our working capital. The majority of our borrowings are denominated in Renminbi. To a lesser extent, we also have borrowings denominated in Euro. The effective interest rates on our bank loans ranged from 0.0% to 6.43% during the Track Record Period. Certain bank loans during this period were linked to LIBOR, and fluctuations in LIBOR caused the interest rates on these loans to decrease to zero.

During the Track Record Period, one of our Controlling Shareholders, Nanjing Primest, provided guarantees for certain of our bank facilities. As of December 31, 2022, 2023 and 2024 and September 30, 2025, the outstanding balances of bank borrowings secured by guarantees from Nanjing Primest amounted to RMB654.4 million, RMB388.1 million, RMB354.7 million and RMB208.4 million, respectively. On October 27, 2025, we had repaid the outstanding balances of above bank loans, and the guarantees provided by Nanjing Primest were released accordingly. As of the Latest Practicable Date, there was no loan, advance or guarantee provided by our Controlling Shareholders or their close associates.

Except for our indebtedness as disclosed in this prospectus, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank loans 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 during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that, as of December 31, 2025, the agreements governing our borrowings did not include any covenants that would have a material adverse effect on our ability to secure additional borrowings or issue debt or equity securities in the future. Furthermore, our Directors confirm that we did not experience any material defaults in respect of trade and other payables, bank or other borrowings, nor did we breach any covenants, including covenants regarding our financial ratios, during the Track Record Period and up to the Latest Practicable Date.

Additionally, our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we encountered no difficulties in obtaining credit facilities, nor did we experience any withdrawal of facilities or requests for early repayment. As of December 31, 2025, being the most recent practicable date for determining our indebtedness, we had unutilized bank facilities amounting to RMB2,981.6 million. Our Directors further confirm that there has been no material change in our indebtedness since December 31, 2025 and up to the date of this prospectus.

Lease Liabilities

As of December 31, 2022, 2023 and 2024, September 30, 2025 and December 31, 2025, our total lease liabilities (comprising both current and non-current portions) amounted to RMB68.3 million, RMB55.5 million, RMB87.4 million, RMB82.1 million and RMB89.6 million, respectively.

Our lease liabilities decreased from RMB68.3 million as of December 31, 2022, to RMB55.5 million as of December 31, 2023, primarily because we transitioned a portion of our production operations from leased properties in Shanghai to our self-owned manufacturing premises in Nanjing. Subsequently, our lease liabilities increased to RMB87.4 million as of December 31, 2024, primarily attributable to an expansion in lease arrangements for our overseas subsidiaries. Our lease liabilities remained relatively stable at RMB82.1 million as of September 30, 2025 and RMB89.6 million as of December 31, 2025.

Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2022, 2023 and 2024, September 30, 2025 and December 31, 2025, respectively.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

Our capital expenditures during the Track Record Period primarily consisted of expenditures related to the purchase of property, plant and equipment, right-of-use assets, and intangible assets. The payment for the purchase of property, plant and equipment, right-of-use assets, and intangible assets amounted to RMB189.1 million, RMB300.4 million, RMB281.9 million, RMB216.9 million and RMB171.6 million for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively.

We plan to continue making capital expenditures to support the anticipated growth of our business and the implementation of our expansion plan. For further details, see "Future Plans and Use of Proceeds — Use of Proceeds." We intend to finance our future capital expenditures through financial resources available to us, including cash generated from our business operations, the net proceeds from the global offering, and available bank and other borrowings.

Capital Commitments

Our capital commitments mainly represent purchases of property, plant and equipment, intangible assets and other long-term assets for which we have contracted for but have not yet paid. Our capital commitments decreased from RMB578.5 million as of December 31, 2022 to RMB299.0 million as of December 31, 2023, then to RMB208.8 million as of December 31, 2024, and further to RMB96.1 million as of September 30, 2025, primarily due to the completion of our major construction projects.

MATERIAL RELATED PARTY TRANSACTIONS

During the Track Record Period, we engaged in certain related party transactions from time to time. These transactions primarily comprised our purchases of raw materials and sales of industrial robots and core automation components, as well as the provision of services. Our Directors believe that our transactions with related parties during the Track Record Period were conducted in the ordinary and usual course of business and on an arm's length basis, and they did not distinct our results of operations or make our historical results not reflective of our future performance.

Additionally, one of our Controlling Shareholders, Nanjing Primest, provided guarantees for certain of our bank facilities during the Track Record Period. We also obtained a loan from Nanjing Primest, which was fully repaid in 2023. Furthermore, we had other borrowings arising from obligations to repurchase shares from certain external shareholders of one of our subsidiaries.

See "— Indebtedness and Contingent Liabilities — Bank Loans and Other Borrowings" and Note 24 to the Accountants' Report in Appendix I to this prospectus for more details.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates or for the periods indicated:

	Year ended/As of December 31,			Nine months ended/ As of September 30,	
	2022	2023	2024	2024	2025
Gross profit margin(1)	32.9%	31.3%	28.3%	29.9%	28.2%
Current ratio(2)	1.35	1.13	1.01	N/A	0.97
Quick ratio(3)	1.01	0.87	0.72	N/A	0.73
Debt-to-equity ratio(4)	0.96	1.51	2.54	N/A	2.28
Cash conversion cycle(5)	137	124	161	N/A	126

Notes:

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

(2) Current ratio is calculated based on total current assets divided by total current liabilities as of the dates indicated.

(3) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities as of the dates indicated.

(4) Debt-to-equity ratio is calculated as indebtedness divided by total equity as of the same date. Indebtedness represents bank loans and other borrowings, as well as lease liabilities. The increases in our debt-to-equity ratio throughout the Track Record Period were primarily due to additional borrowings raised to fund our capital expenditures and acquisitions of non-controlling interests in certain subsidiaries.

(5) Cash conversion cycle is calculated using the inventory turnover days in each period plus the trade and bill receivables turnover days in the respective period minus the trade and bill payables turnover days in the respective period.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market risks, including credit risk, liquidity risk, interest rate risk and currency risk in the normal course of our business. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of the risks to which we are exposed, see Note 32 to the Accountants' Report set out in Appendix I to this prospectus.

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, dividends paid to equity shareholders of our Company were RMB25.8 million, RMB26.0 million, RMB52.0 million and nil in 2022, 2023, 2024 and the first nine months of 2025, respectively, representing dividend payout ratios, calculated based on dividends paid to equity shareholders of our Company in 2023, 2024 and the first nine months of 2025 divided by profit or loss for the year/period attributable to equity shareholders of our Company for 2022, 2023 and 2024 in a given period and multiplied by 100%, of 15.6%, 38.3% and nil, respectively. On April 29, 2023, our Board of Directors approved our "Shareholder Return Plan for the Next Three Years (2023-2025)" (the "**Shareholder Return Plan**"). According to our Shareholder Return Plan, and subject to relevant PRC laws and applicable regulations, and our Articles of Association, after making up for any losses (if any), allocating statutory reserve funds, and allocating discretionary reserve funds (if necessary), from the year of 2023 to 2025, except for special circumstances, we target to distribute cash dividends to our Shareholders no less than 20% of our distributable profit for the year if our Company is profitable for the year and has a positive cumulative undistributed profit. The aforementioned special circumstances include: (i) the issuance of accountants' report with a qualified opinion by the Company's reporting accountants, or (ii) the occurrence of significant investments or capital expenditure events, representing any investments or asset acquisitions with cumulative expenditures reaching or exceeding RMB50.0 million or 30% of our net assets based on the audited financial statements from the latest financial year. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that we have entered into or may enter into in the future. See "Risk Factors — Risks Relating to the Global Offering — 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."

According to applicable PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2025年修訂》)), our Articles of Association and our dividend policy, subject to the fulfillment of the conditions for cash dividends, the annual cash dividends of our Company shall account for no less than 20% of the profits realized by our Company in that year (calculated in accordance with PRC GAAP) which are available for distribution and attributable to the shareholders. Future profit distributions may be carried out in the form of cash dividends or stock dividends, or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant. According to PRC Company Law and our dividend policy, where the accumulative amount of the company's statutory reserve is not sufficient to cover losses from the previous year, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued according as legally required; after a company has made up its losses, the residual after-tax profits and accrued reserve shall be distributed by the company (in the case of a joint stock limited company) in proportion to the shares held by its shareholders, except as otherwise provided for in the company's articles of association. Therefore, our PRC Legal Advisors are of the view that we can pay dividend despite accumulated losses except when the accumulative amount of our statutory reserve is not sufficient to cover accumulated losses, in which case the current year's profits shall first be used to make up for the losses.

DISTRIBUTABLE RESERVE

As of September 30, 2025, we did not have any distributable reserves.

LISTING EXPENSES

Assuming that the Over-allotment Option is not exercised and an Offer Price of HK$16.18 per Offer Share (being the mid-point of the indicative Price Range stated in this prospectus), the aggregate commissions and fees, together with the Stock Exchange listing fee, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the Listing and the Global Offering, which are payable by us, are estimated to amount in aggregate to approximately HK$79.9 million (assuming the Over-allotment Option is not exercised), accounting for 5.1% of the gross proceeds from the Global Offering.

During the Track Record Period, we incurred listing expenses of RMB17.5 million (equivalent to HK$19.7 million), of which RMB1.1 million (equivalent to HK$1.2 million) was recognized as administrative expenses in the consolidated statements of profit or loss and RMB16.4 million (equivalent to HK$18.5 million) was directly attributable to the issuance of Offer Shares which is expected to be charged against equity upon the Listing. We expect to incur additional listing expenses of approximately RMB53.4 million (equivalent to HK$60.1 million), of which RMB1.9 million (equivalent to HK$2.1 million) is expected to be expensed through the statement of profit or loss and approximately RMB51.5 million (equivalent to HK$58.0 million) is expected to be recognized directly as a deduction from equity upon the Listing. By nature, our listing expenses are composed of (i) underwriting-related expenses of approximately HK$41.1 million, and (ii) non-underwriting-related expenses of approximately HK$38.8 million, which consist of fees and expenses of legal advisors and Reporting Accountants of approximately HK$29.8 million, and other fees and expenses of approximately HK$9.0 million.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets prepared in accordance with Rule 4.29 of the Listing Rules is set out to show the effect of the Global Offering on our net tangible assets as of September 30, 2025, as if the Global Offering had taken place on that date. The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of our net tangible assets had the Global Offering been completed as of September 30, 2025 or at any future date. The unaudited pro forma statement of adjusted net tangible assets is based on the unaudited consolidated total net tangible assets of our Group attributable to the owners of the Company as of September 30, 2025 derived from the Accountants' Report set out in Appendix I to this prospectus, and adjusted as follows:

	Consolidated net tangible assets attributable to equity shareholders of the Company as of September 30, 2025(1)	**Estimated net proceeds from the Global Offering(2)(4)**	**Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of our Company(3)**	**Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of our Company per Share**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB(3)*	*HK$(4)*
Based on an Offer Price of HK$15.36 per Offer Share . .	340,252	1,251,747	1,591,999	1.65	1.86
Based on an Offer Price of HK$17.00 per Offer Share . .	340,252	1,389,275	1,729,527	1.79	2.02

Notes:

(1) The consolidated net tangible assets attributable to equity shareholders of our Company as of September 30, 2025 is arriving after (i) deducting goodwill of RMB1,044,588,000 and intangible assets of RMB560,509,000; and (ii) adjusting the share of intangible assets attributable to non-controlling interests of RMB4,557,000, from the consolidated total equity attributable to equity shareholders of our Company of RMB1,940,792,000 as of September 30, 2025, which is extracted from the Accountants' Report as set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the expected issuance of 96,780,000 Offer Shares and the indicative Offer Prices of HK$15.36 and HK$17.00 per Offer Share, respectively, being the lower end price and higher end price of the stated Offer Price range, after deduction of the estimated underwriting fees and other related expenses payable by our Group, (excluding the listing expenses charged to profit or loss during the Track Record Period of RMB1,128,000) and does not take into account of any shares which may be issued upon the exercise of the Over-allotment Option and any shares to be issued pursuant to the share option scheme and share reward scheme.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share is arrived at after the above adjustments and on the basis that a total of 963,798,453 shares (excluding the 4,000,000 treasury shares as disclosed in Note 31(d) to the Accountants' Report as set out in Appendix I to this prospectus) in issue assuming that the Global Offering had been completed on September 30, 2025 without taking into account of any shares which may be issued upon the exercise of the Over-allotment Option and any shares to be issued pursuant to the share option scheme and share reward scheme.

(4) For illustrative purpose, the estimated net proceeds from the Global Offering is converted from the Hong Kong dollar into Renminbi and the unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company per Share is converted from Renminbi into Hong Kong dollar at a rate of HK$1 equals to RMB0.88787, being the PBOC rate prevailing on the Latest Practicable Date. No representation is made that the Hong Kong Dollars amounts have been, could have been or may be converted into Renminbi, or vice versa, at that rate.

(5) No adjustment has been made to the unaudited pro forma statement of adjusted net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to September 30, 2025, including but not limited to the disposal of remaining 48% equity interest in Yangzhou Shuguang completed in November 2025 as disclosed in Note 35 to the Accountants' Report as set out in Appendix I to this prospectus. Had such disposal been completed on September 30, 2025, the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company would have increased by approximately RMB11.5 million and the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share would have been increased by RMB0.01 or HK$0.02.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material changes to our business model and the general economic and regulatory environment in which we operate, there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of our latest consolidated financial statements as set out in the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules upon the Listing of the Shares on the Stock Exchange.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 200 H Shares) that may be purchased for an aggregate amount of approximately US$66.91 million (or approximately HK$523.00 million, calculated based on an exchange rate of US$1.00 to HK$7.8162) exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the "**Cornerstone Placing**").

Based on the Offer Price of HK$17.00 per Offer Share, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 30,763,600. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Over-allotment Option is not exercised		**Assuming the Over-allotment Option is exercised in full**	
Approximate % of the Offer Shares	**Approximate % of the total issued share capital**	**Approximate % of the Offer Shares**	**Approximate % of the total issued share capital**
31.79%	3.18%	27.64%	3.13%

Based on the Offer Price of HK$16.18 per Offer Share, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 32,322,600. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Over-allotment Option is not exercised		**Assuming the Over-allotment Option is exercised in full**	
Approximate % of the Offer Shares	**Approximate % of the total issued share capital**	**Approximate % of the Offer Shares**	**Approximate % of the total issued share capital**
33.40%	3.34%	29.04%	3.29%

Based on the Offer Price of HK$15.36 per Offer Share, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 34,048,600. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Over-allotment Option is not exercised		**Assuming the Over-allotment Option is exercised in full**	
Approximate % of the Offer Shares	**Approximate % of the total issued share capital**	**Approximate % of the Offer Shares**	**Approximate % of the total issued share capital**
35.18%	3.52%	30.59%	3.47%

We believe that the Cornerstone Placing demonstrates our Cornerstone Investors' confidence in our Company and its business prospect, and that leveraging on the Cornerstone Investors' investment or industry experience, the Cornerstone Placing will help to raise the profile of our Company. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through our Group's business network or through introduction by our Company's Overall Coordinators.

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering of the Company and will be counted towards the public float of our Company under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules. Immediately following the completion of the Global Offering, (i) the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company; (ii) none of the Cornerstone Investors and their close associates will become a substantial Shareholder of our Company; and (iii) the equity interests in our Company being beneficially owned by the three largest public Shareholders will be less than 50% for the purpose of Rule 8.08(3) of the Listing Rules. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

To the best knowledge of our Company, each of the Cornerstone Investors is (i) not accustomed to take instructions from our Company or any of our Directors, supervisors, chief executive, our Controlling Shareholders, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them; (ii) not financed by our Company or any of our Directors, supervisors, chief executive of our Company, our Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates; and (iii) independent of the other Cornerstone Investors, our Group, our connected persons and their respective associates, and is not an existing Shareholder or a close associate of our Group.

To the best knowledge of the Company and Sponsor-Overall Coordinator, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

As confirmed by each of the Cornerstone Investors, each of the Cornerstone Investors is independent from each other and make independent investment decisions, and their subscription under the Cornerstone Placing would be financed by its own internal financial resources and/or the financial resources of its controlling shareholders and their close associates or the assets managed for its investors (in the case of Cornerstone Investors which are funds or investment managers) and it has sufficient funds to settle its respective investment under the Cornerstone Placing. Save for disclosed in this section, none of the Cornerstone Investors or their shareholder(s) are listed on any stock exchanges. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange. Some of the Cornerstone Investors have agreed that our Company and the Sponsor-Overall Coordinator in their sole discretion may defer the delivery of all or part of the Offer Shares such Cornerstone Investors will subscribe to on a date later than the Listing Date. Where delayed delivery takes place, each of such Cornerstone Investors that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares before the Listing. As such, there will not be any deferred settlement in payment by the Cornerstone Investors.

The total number of Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering. If the total demand for H shares in the Hong Kong Public Offering falls within the circumstance as set out in the section headed "Structure and Conditions of the Global Offering — The Hong Kong Public Offering — Reallocation" in this prospectus, our Company and Sponsor-Overall Coordinator have the absolute discretion, but not obliged, to deduct the number of Offer Shares to be subscribed by the Cornerstone Investors on a pro rata basis under the Hong Kong Public Offering pursuant to Practice Note 18 of the Listing Rules. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around March 6, 2026.

THE CORNERSTONE INVESTORS

The table below sets forth details of the Cornerstone Placing:

			Assuming an Offer Price of HK$15.36 per H Share (being the low end of the Offer Price range)			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Cornerstone Investor	Subscription amount(1)	Number of Offer Shares(2)	Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
	(US$ in millions)					
Harvest Oriental . . .	20.00	10,177,200	10.52%	1.05%	9.14%	1.04%

Cornerstone Investor	Subscription amount[(1)]	Number of Offer Shares[(2)]	Assuming an Offer Price of HK$15.36 per H Share (being the low end of the Offer Price range)			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
			Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
	(US$ in millions)					
Hengtong Optic-electric International	15.00	7,633,000	7.89%	0.79%	6.86%	0.78%
Dream'ee HK Fund .	10.24	5,208,200	5.38%	0.54%	4.68%	0.53%
Deep Source	10.00	5,088,600	5.26%	0.53%	4.57%	0.52%
Haitian Huayuan . . .	4.88	2,481,400	2.56%	0.26%	2.23%	0.25%
New Fortune.	3.80	1,933,600	2.00%	0.20%	1.74%	0.20%
Qianhai Hezhong Investment	3.00	1,526,600	1.58%	0.16%	1.37%	0.16%
Total.	**66.91**	**34,048,600**	**35.18%**	**3.52%**	**30.59%**	**3.47%**

Cornerstone Investor	Subscription amount[(1)]	Number of Offer Shares[(2)]	Assuming an Offer Price of HK$16.18 per H Share (being the midpoint of the Offer Price range)			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
			Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
	(US$ in millions)					
Harvest Oriental . . .	20.00	9,661,400	9.98%	1.00%	8.68%	0.98%
Hengtong Optic-electric International	15.00	7,246,000	7.49%	0.75%	6.51%	0.74%
Dream'ee HK Fund .	10.24	4,944,200	5.11%	0.51%	4.44%	0.50%
Deep Source	10.00	4,830,600	4.99%	0.50%	4.34%	0.49%
Haitian Huayuan . . .	4.88	2,355,600	2.43%	0.24%	2.12%	0.24%
New Fortune.	3.80	1,835,600	1.90%	0.19%	1.65%	0.19%
Qianhai Hezhong Investment	3.00	1,449,200	1.50%	0.15%	1.30%	0.15%
Total.	**66.91**	**32,322,600**	**33.40%**	**3.34%**	**29.04%**	**3.29%**

Cornerstone Investor	Subscription amount(1)	Number of Offer Shares(2)	Assuming an Offer Price of HK$17.00 per H Share (being the high end of the Offer Price range) — Assuming the Over-allotment Option is not exercised: Approximate % of the Offer Shares	Approximate % of the issued share capital	Assuming the Over-allotment Option is exercised in full: Approximate % of the Offer Shares	Approximate % of the issued share capital
	(US$ in millions)					
Harvest Oriental . . .	20.00	9,195,400	9.50%	0.95%	8.26%	0.94%
Hengtong Optic-electric International	15.00	6,896,600	7.13%	0.71%	6.20%	0.70%
Dream'ee HK Fund .	10.24	4,705,800	4.86%	0.49%	4.23%	0.48%
Deep Source	10.00	4,597,600	4.75%	0.48%	4.13%	0.47%
Haitian Huayuan . . .	4.88	2,242,000	2.32%	0.23%	2.01%	0.23%
New Fortune.	3.80	1,747,000	1.81%	0.18%	1.57%	0.18%
Qianhai Hezhong Investment	3.00	1,379,200	1.43%	0.14%	1.24%	0.14%
Total.	**66.91**	**30,763,600**	**31.79%**	**3.18%**	**27.64%**	**3.13%**

Notes:

(1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, and to be converted to Hong Kong dollars based on the exchange rate as disclosed in this prospectus.

(2) Subject to rounding down to the nearest whole board lot of 200 Offer Shares. Calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion".

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Harvest International Premium Value (Secondary Market) Fund SPC acting on behalf of and for the account of Harvest Oriental SP

Harvest Oriental SP ("**Harvest Oriental**") is a fund launched in October 2024. Harvest International Premium Value (Secondary Market) Fund SPC acting on behalf of and for the account of Harvest Oriental is a segregated portfolio company established in the Cayman Islands and is an Independent Third Party. 91% of the management shares of Harvest International Premium Value (Secondary Market) Fund SPC are held by Harvest Global Investments Limited ("**HGI**") and 9% of the management shares are held by Harvest Global Capital Investments Limited ("**HGCI**"). Incorporated in Hong Kong in 2008, HGI is a wholly-owned subsidiary of Harvest Fund Management Co., Ltd. ("**HFM**"). HFM is owned as to 40% by China CREDIT Trust Co., Ltd. (中誠信託有限責任公司), 30% by Lixin Investment Co., Ltd. (立信投資有限責任公司) and 30% by DWS Investments Singapore Limited, all of which are Independent Third Parties. Other than China CREDIT Trust Co., Ltd. (中誠信託有限責任公司), which is held as to 32.92% by The People's Insurance Company (Group) of China Limited (中國人民保險集團股份有限公司) (stock code: 1339) where the Ministry of Finance of the People's Republic of China owns 60.84% of its total issued shares, none of HFM's shareholders above has any ultimate beneficial owner holding 30% or more interest therein. HGCI, the fund manager of Harvest Oriental on a discretionary basis, is a company incorporated in Hong Kong in 2011 and licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO in Hong Kong by the SFC. HGCI is principally engaged in asset management and investment advisory business. Chen Di, an Independent Third Party, is the beneficial owner who holds the largest portion of the ultimate beneficial ownership of HGCI. There are four participating shareholders of Harvest Oriental, and no single participating shareholder holds 30% or more interest therein.

Hengtong Optic-electric International

Hengtong Optic-electric International Co., Limited (亨通光電國際有限公司) ("**Hengtong Optic-electric International**") is a limited company incorporated in Hong Kong on June 3, 2013, which is primarily engaged in the trading of fiber optic cables, power cables, power supply materials and accessories, etc. Hengtong Optic-electric International is wholly owned by Hengtong Optic-electric Co., Ltd (江蘇亨通光電股份有限公司) ("**Hengtong Optic-electric**"), a company listed on Shanghai Stock Exchange (stock code: 600487), which is held as to approximately 24.07% by Hengtong Group Company Limited (亨通集團有限公司) ("**Hengtong Group**"). Hengtong Group is owned as to 73% by Mr. Cui Genliang and 27% by Mr. Cui Wei, respectively. In addition, Mr. Cui Wei directly held approximately 3.86% in Hengtong Optic-electric. Hengtong Optic-electric is ultimately controlled by Mr. Cui Genliang(崔根良) and Mr. Cui Wei (崔巍), both are Independent Third Parties. Save for the above, Hengtong Optic-electric Co., Ltd has no single ultimate beneficial owner holding 30% or more interests.

Dream'ee HK Fund

Dream'ee (Hong Kong) Open-ended Fund Company – Dream'ee JuneBeast Fund is a sub-fund (the "**Sub-fund**") of Dream'ee (Hong Kong) Open-ended Fund Company ("**Dream'ee HK Fund**"). Dream'ee HK Fund acting on behalf of and for the account of the Sub-fund is a private open-ended fund company incorporated in Hong Kong in August 2025 as an umbrella fund governed by the SFO, primarily engaged in equity investment. 100% of the management shares of Dream'ee HK Fund are held by Dream'ee (Hong Kong) Capital Limited (君宜(香港)資本有限公司) ("**Dream'ee Capital**"), which is the investment manager of Dream'ee HK Fund. Dream'ee Capital is a limited company incorporated in Hong Kong in February 2024 wholly owned by Mr. Lan Kun and licensed by the SFC to conduct Type 9 (Asset Management) regulated activities in Hong Kong. Mr. Lan Kun is an Independent Third Party. As of the Latest Practicable Date, Ms. Zhang Jingruo (張敬若), an Independent Third Party, holds approximately 56.85% interest, and no other investor holds 30% or more of the interest in the Sub-fund that will participate in the Global Offering.

Deep Source

Deep Source Holdings Limited (至源控股有限公司) ("**Deep Source**") (HKEX: 990) and its subsidiaries are principally engaged in (i) distribution, trading and processing of bulk commodities and related products in Hong Kong, Singapore and the PRC; and (ii) provision of securities and derivatives financial services, margin financing and fund management in Hong Kong and Singapore. It is owned as to approximately 58.9% by Mr. You Zhenhua. Other than Mr. You Zhenhua, Deep Source has no single ultimate beneficial owner holding 30% or more interests.

Haitian Huayuan

Haitian Huayuan (Singapore) Pte. Ltd. ("**Haitian Huayuan**") is a private company limited by shares and incorporated in Singapore on June 3, 2019, which is primarily engaged in wholesale of machinery and equipment and manufacture and repair of plastic processing machinery. Haitian Huayuan is wholly owned by Haitian International Holdings Limited ("**Haitian International**"), a company listed on the Stock Exchange (stock code: 1882). As of the Latest Practicable Date, Haitian International is owned as follows: (i) approximately 18.35% is held by Premier Capital Management Pte. Ltd., which is owned as to 60% by Mr. Zhang Jianming and 40% by Mr. Zhang Jingzhang; (ii) approximately 14.73% is held by Cambridge Management Consultants (PTC) Ltd., which is also owned as to 60% by Mr. Zhang Jianming and 40% by Mr. Zhang Jingzhang; (iii) approximately 0.23% is indirectly held by Mr. Zhang Jianming through an entity wholly owned by him; and (iv) approximately 0.03% is indirectly held by Mr. Zhang Jingzhang through an entity wholly owned by him. Each of Mr. Zhang Jianming and Mr. Zhang Jingzhang is Independent Third Parties. Save for the above, Haitian International has no single ultimate beneficial owner holding 30% or more interest.

New Fortune

New Fortune Holdings Group Limited (裕祥控股集團有限公司) ("**New Fortune**") is an investment holding company incorporated in British Virgin Islands on November 17, 2016 and is wholly owned by Net-A-Go Technology Company Limited (網譽科技有限公司), a company listed on the Stock Exchange (stock code: 1483) ("**Net-A-Go Tech**"). As of the Latest Practicable Date, Net-A-Go Tech is ultimately beneficially owned as to approximately 28.83% by Mr. Sang Kangqiao, an Independent Third Party. Net-A-Go Tech has no single ultimate beneficial owner holding 30% or more interests.

Qianhai Hezhong Investment

Qianhai Hezhong Investment Holding Limited (前海合眾投資控股有限公司) ("**Qianhai Hezhong Investment**") is a company incorporated in British Virgin Islands on July 10, 2017, which is primarily engaged in investment and management. Qianhai Hezhong Investment is wholly owned by Mr. Tan Xiaolong (譚小龍), an Independent Third Party. Mr. Tan Xiaolong has rich experience in equity investment.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things and as applicable, the following closing conditions:

(a) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

(b) the Offer Price having been agreed upon between our Company and the Sponsor-Overall Coordinator (for itself and on behalf of the underwriters of the Global Offering);

(c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(d) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(e) the respective acknowledgements, representations, warranties, undertakings and confirmations of relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading (at the date of the respective Cornerstone Investment Agreement, the Listing date and the Delayed Delivery Date (if applicable)) and that there is no breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that it will not, and will cause its affiliates not to, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investors, including the Lock-up Period restriction.

FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$1,486.0 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, assuming no Over-allotment Option is exercised, and an Offer Price of HK$16.18 per H Share, being the midpoint of the indicative price range stated in this prospectus.

In line with our strategies, we currently intend to apply these net proceeds for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately 25.0% of the net proceeds, or approximately HK$371.5 million, will be allocated to the expansion of our global production capabilities, including the following:

  (i) approximately 20.0% of the net proceeds, or approximately HK$297.2 million, will be allocated to the expansion of our manufacturing capacity in Nanjing, China, aiming to meet the increasing market demand for our products and to build capacity reserves in anticipation of potential production bottlenecks. To address tightening capacity and support expected demand, we plan to commission new facilities to expand and upgrade production for our industrial robots and intelligent manufacturing systems. Our capacity utilization rate was 82.8% for the production of our industrial robots and intelligent manufacturing systems and 81.8% for the production of core automation components and motion control systems for the nine months ended September 30, 2025. The new facilities are intended to add incremental capacity, remove critical bottlenecks and improve operating efficiency. Consistent with our "Local for Global" production model, we will continue to leverage supply chain advantages in China to deliver cost competitive products and solutions to customers worldwide.

  The investment will cover primarily land acquisition, the construction of new facilities, the upgrade of existing equipment and the procurement of advanced production equipment. The new facilities are expected to be equipped with cutting-edge automated assembly lines, high-precision machining equipment, and auxiliary tools that will enable us to achieve greater production efficiency and scalability. Upon completion and full ramp up, we expect the facility to increase our annual production capacity by approximately 50,000 units.

We expect to commence the overall planning and site selection for new manufacturing bases in 2026, followed by investment in land acquisition. We expect to complete the construction of the new facilities by 2030, subject to the progress of planning and subsequent implementation;

(ii) approximately 5.0% of the net proceeds, or approximately HK$74.3 million, will be used for the construction of overseas manufacturing plants in Poland and the associated procurement of equipment. These facilities will specialize in the production of industrial robots and intelligent manufacturing systems. Our planned European production facility underscores our commitment to the region and our intention to expand operations in one of our key markets. Europe imposes rigorous product quality and safety standards. Locating industrial robot manufacturing in Europe is expected to facilitate compliance with applicable local regulatory requirements. Proximity to customers should also shorten logistics lead times, reduce transportation costs and inventory buffers, and enhance our ability to respond quickly to customer needs. Establishment of the facility remains subject to customary approvals, permits and project execution.

We intend to invest in automated assembly lines, inventory automation systems, coordinate measuring machines, and digital software to optimize the productivity of our overseas manufacturing facilities. We expect to complete construction of our European manufacturing facilities by 2026. Upon full ramp up, these facilities are designed for an aggregate annual nameplate capacity of approximately 15,000 units.

With respect to our overseas manufacturing plants, we had completed the phase I construction of our production facility in Poland as of the Latest Practicable Date. We will proceed with the phase II expansion of our production facility in Poland, including equipment installation, with commissioning and start-up targeted for mid-2026, subject to receipt of required permits and approvals.

- approximately 25.0% of the net proceeds, or approximately HK$371.5 million, will be allocated to the selective pursuit of strategic alliances, investments, and acquisition opportunities, both domestically and internationally, within the upstream and downstream segments of the industrial robotics industry. Specifically, we will target opportunities engaged in the research, development, and production of core robotic components and products, industrial software, and embodied intelligence products, among others.

  With respect to strategic alliances, we plan to use a portion of the proceeds to establish cooperations with industry partners through the formation of joint ventures or the signing of strategic cooperation agreements. These alliances are intended to leverage the respective strengths of both parties in areas such as technology, talent, supply chain, brand, and market resources, enabling synergy and complementarity across the industrial robotics value chain. Our potential partners include upstream enterprises in the industrial robotics industry, such as manufacturers of reducers, sensors, and industrial software, as well as leading downstream customers in sectors such as automotive and lithium battery manufacturing. The proceeds will be used primarily to fund the establishment and operation of joint ventures, and to provide sufficient working capital for the implementation of cooperative projects under strategic cooperation agreements, ensuring the effective execution and commercialization of the alliances.

In assessing such opportunities, we will prioritize targets with leading market positions, established track records, comprehensive product portfolios, and distinct competitive advantages within their respective market segments. Subject to case by case exceptions, we will take the following criteria into consideration: (i) minimum annual revenue of RMB50.0 million; (ii) profitability on a net income or EBITDA basis, or a credible path to profitability within a defined period; (iii) at least two years of operating history; (iv) a moderate leverage profile and a sound balance sheet; (v) sustained investment in R&D with demonstrable technology assets and intellectual property; and (vi) valuation aligned with sector benchmarks. We intend to focus on Europe, China and other Asian markets with strong industrial bases, and on sales channel partners in select emerging markets. According to the F&S Report, a sufficient number of potential targets meet these parameters.

We apply a disciplined, multi-stage process to evaluate opportunities, beginning with screening and assessment, followed by comprehensive due diligence with external advisers. Findings are reviewed through internal procedures. We prioritize targets with leading positions, solid track records, complementary portfolios, defensible advantages, and strong brands.

These initiatives are intended to strengthen our end-to-end R&D and manufacturing capabilities, as well as our ability to drive integrated hardware-software development. As of the Latest Practicable Date, we had not identified any specific investment or acquisition targets, nor had we entered into any definitive investment or acquisition agreements.

We plan to initiate a global screening for potential acquisition targets in 2026, following the Listing of our Company. Any potential transaction will be subject to rigorous due diligence, valuation discipline, board approval, financing availability and required regulatory clearances, and there can be no assurance that any acquisition will be completed. Subject to market conditions, financing availability and required approvals, we aim to complete and integrate acquisitions as soon as practicable.

- approximately 20.0% of the net proceeds, or approximately HK$297.2 million, will be invested in R&D initiatives to advance next-generation industrial robotics technologies, aiming to reinforce our market leadership. In particular:

- approximately 6.0% of the net proceeds, or approximately HK$89.2 million, will be allocated to the development of open-source, application-driven industrial robot control systems. Our R&D efforts will focus on advancing hardware design, optimizing operating systems, and refining control system architecture. We aim to develop a next-generation open and modular control system featuring a unified hardware platform and operating system architecture that supports containerized deployment, enhanced cybersecurity, and flexible extension through AI and communication modules. In parallel, we will conduct preliminary research and design for a user portal software framework, including developer tools and programming environments, and develop process-specific software packages for representative industrial scenarios such as automotive and arc welding. We will concentrate on developing advanced programming languages for controllers, as well as hybrid programming parsers and motion-planning technologies applicable to both robotic and general motion control. We also plan to enhance the adaptability and functionality of programmable logic controllers and industrial PCs, improve cross-platform compatibility, and create a more user-friendly programming environment and human-machine interaction. The control platforms are designed for integration into our industrial robots, controllers and related products, enhancing performance, functionality and human-machine interaction. These efforts will underpin the development of next-generation robotic control systems and general motion control solutions, delivering open, modular products to customers across the value chain;

  Subject to development progress, customer feedback and resource availability, we plan to advance our next-generation industrial robot control systems through three stages between 2026 and 2028: finalizing the core system architecture, delivering a prototype, and completing validation and preparation for pilot and staged commercialization.

- approximately 4.3% of the net proceeds, or approximately HK$63.9 million, will be used for integrating embodied AI technologies into industrial robots. Our efforts will prioritize integrating embodied AI technologies, such as general-purpose perception, interaction technologies, reinforcement learning, training algorithms, and AI content generation, into our existing motion control platform for industrial robots. The embodied AI technologies are intended to upgrade our existing products by enhancing intelligence, ease of use and the human-machine interface. We are also developing a dual-arm robotic system architecture based on a unified multi-robot controller, as well as an end-to-end embodied intelligence simulation system to support training, testing and optimization in virtual environments. These systems will form the technical foundation for embodied AI robots tailored to industrial applications, enabling continuous iteration, simulation-driven learning, and rapid functional deployment. We believe these improvements will increase the suitability of our robots for established applications and unlock use cases that are currently not addressable. We aim to enhance the versatility of industrial robots, enabling them to address more complex applications while unlocking new opportunities across diverse industrial scenarios;

Between 2026 and 2028, subject to technical validation and customer input, we plan to advance our embodied AI robotics program from dual-arm system architecture and end-to-end simulation, through industrial prototypes, to a general-purpose platform configurable for diverse scenarios with flexible software and hardware options.

- approximately 3.7% of the net proceeds, or approximately HK$55.0 million, will be allocated to the development of precision motion control and high power-density motor technologies. Our R&D will focus on high-performance motion control algorithms, achieving key technical benchmarks in precision motion control, as well as the design of high-power-density motors and the application of advanced magnetic materials. Our precision motion control technology is designed to improve control-algorithm performance, enabling our controllers to address higher-end, higher-precision and higher-speed applications, including systems with greater axis counts and complex kinematics. We believe these enhancements will broaden the addressable market for our motion controllers and enhance their commercial prospects. Our high power-density motor technology is intended to advance our robotic platforms by enabling simpler mechanical architectures and more precise drivetrains, while delivering higher payload capacity and faster cycle times at comparable size and weight. We believe that integrating this technology into our robots will expand applicable use cases and strengthen the commercialization potential of our robotic systems;

  In 2026 we will finalize the technical roadmap and validate key control methods, including deep flux weakening. In 2027 we will productize the core algorithms and establish a component series. In 2028 we will add AI-based tuning, integrate the platform into our robots and expand to a family of robot products.

- approximately 3.3% of the net proceeds, or approximately HK$49.0 million, will be used for enhancing the safety profile of our robotics, including the development of safety-critical components and technologies to ensure safe interaction between humans and robots. We will also dedicate efforts to developing high-standard industrial robots and core automation components to advance our presence in overseas markets and promote our products globally. The development of this technology will mark a milestone in our independent mastery of safety technologies across components, finished products and integrated solutions. We expect this capability to enable us to introduce products that comply with overseas regulatory regimes, including in the European Union, thereby broadening our addressable market and commercial reach; and

In 2026 we expect to obtain safety concept approval and complete functional validation and verification at the prototype level and at full system integration. In 2027 we plan to productize the platform and begin ramp up starting in the second quarter.

- approximately 2.7% of the net proceeds, or approximately HK$40.1 million, will be allocated to the development of digital-twin and industrial software platforms. Our R&D efforts will focus on advancing digital-twin technologies and cloud-based platforms for remote monitoring, fault prediction, and production line management. These platforms will support factory automation by enabling robot offline programming, rapid validation of robotic solutions, and simulation and debugging of automated production lines. We intend to offer this software as a standalone product to end users. In addition to the direct revenue opportunity from software sales, we believe its adoption will reduce engineering labor and commissioning costs for equipment makers and integrators and improve project success rates, delivering measurable value to customers. The software is also expected to lower maintenance costs for end users through remote monitoring, fault prediction and early-warning diagnostics, materially reducing the likelihood of unplanned downtime.

  In 2026 we expect to launch the first generation system, deliver core functional prototypes and release version 1.0 of our offline programming and simulation software. In 2027 we plan to release version 1.0 of our industrial digital cloud platform to enable data collection, visualization and remote operations. In 2028 we expect to complete the first customer deliveries of the offline programming and simulation suite and to validate digital twins for small scale workstations.

  Our planned use of net proceeds prioritizes investment in R&D and aligns with our historical R&D spending profile. In 2022, 2023, 2024 and the first nine months of 2025, our R&D expenditures (including our research and development expenses and investment in R&D activities which was capitalized) amounted to RMB401.6 million, RMB504.1 million, RMB502.9 million, and RMB354.2 million, respectively. The table below presents our current estimate of the portion of net proceeds to be allocated to R&D initiatives, subject to adjustment based on market conditions and our operational needs.

	Estimated Allocation of Net Proceeds
	(HKD in million)
Staff costs	218.0
R&D equipment	37.1
R&D materials and consumables	42.1
Total	**297.2**

To execute our R&D roadmap and support future growth, we plan to expand our R&D department by approximately 450 professionals across five functional groups: (i) 200 in software and AI, (ii) 130 in hardware, mechatronics and sensing, (iii) 70 in quality assurance, (iv) 20 in manufacturing process engineering, and (v) 30 in safety and general functions. The actual number and timing of hires may vary based on business needs and talent availability. Based on our historical R&D spending and the scope of these initiatives, we expect our R&D funding requirements to exceed the net proceeds from the Global Offering. We plan to finance the shortfall with future operating cash flows and, as needed, external financing.

- approximately 10.0% of the net proceeds, or approximately HK$148.6 million, will be used for strengthening our global service capabilities and developing a organization-wide digitized management system, with the goal of increasing our global brand recognition and strengthening our core competitiveness in the international market. In particular,

  (i) approximately 7.0% of the net proceeds, or approximately HK$104.0 million, will be allocated to enhancing our international sales capabilities and strengthening our after-sales service infrastructure. Our efforts will be strategically focused on key regions such as Europe, South America, and Southeast Asia. We plan to build a service network in these key regions to support local deployment and after sales service starting from 2026. We also plan to expand our partner ecosystem to provide complementary coverage and capabilities. We aim to expand global service capabilities by establishing local operations and actively collaborating with local partners, such as channel service providers. We plan to allocate our net proceeds primarily in (i) recruiting and onboarding highly skilled talent; (ii) leasing or purchasing office space; (iii) investing in office infrastructure and other essential equipment; (iv) paying service fees to local partners for sales and marketing support; and

  (ii) approximately 3.0% of the net proceeds, or approximately HK$44.6 million, will be allocated to the development and implementation of a globally integrated digitized management system. We expect to complete the establishment of a global digital shared services center by 2026, encompassing finance, business operations and R&D platforms. In 2027, as needed, we plan to implement modular management platforms. This initiative is designed to foster a seamless connection between our domestic and international operations, enabling operational transparency across our global network. For example, we plan to deploy advanced enterprise management systems, such as enterprise resource planning systems, customer relationship management systems, and product lifecycle management systems, within our overseas subsidiaries and branches to synchronize with our domestic operations, ensuring a unified, efficient, and secure global network. Furthermore, this initiative will allow us to standardize workflows, streamline decision-making processes, and optimize resource allocation at both the local and global levels.

- Approximately 10.0% of the net proceeds, or approximately HK$148.6 million, will be used to partially repay existing loans, including: (i) a bank loan obtained to fund the acquisition of a subsidiary, with a principal amount of RMB119.0 million, bearing interest at the 5-year Loan Prime Rate plus 13 basis points, subject to annual adjustment, with RMB59.0 million maturing on October 20, 2026, and the remaining balance maturing on April 20, 2027; and (ii) bank loans secured to supplement our working capital, with a total principal amount of RMB29.25 million, bearing interests at a fixed rate of 2.4% or the 1-year Loan Prime Rate minus 50 to 85 basis points, and maturing between May 20, 2026, and September 27, 2026.

- the remaining approximately 10.0% of the net proceeds, or approximately HK$148.6 million, will be used for working capital and general corporate purposes.

If the Over-allotment Option is not exercised, the net proceeds that we will receive will be approximately HK$1,486.0 million, assuming an Offer Price of HK$16.18 per H Share (being the midpoint of the indicative price range). If the Offer Price is set at HK$17.00 per H Share, being the high end of the indicative price range, the net proceeds from the Global Offering will increase to approximately HK$1,563.5 million. If the Offer Price is set at HK$15.36 per H Share, being the low end of the indicative price range, the net proceeds from the Global Offering will decrease to approximately HK$1,408.6 million. The above allocation of the net proceeds from the Global Offering will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the midpoint of the indicative price range stated in this prospectus.

If the Over-allotment Option is exercised in full, the net proceeds that we will receive will be approximately HK$1,715.2 million, assuming an Offer Price of HK$16.18 per H Share (being the midpoint of the indicative price range). If the Offer Price is set at HK$17.00 per H Share, being the high end of the indicative price range, the net proceeds from the Global Offering will increase to approximately HK$1,804.3 million. If the Offer Price is set at HK$15.36 per H Share, being the low end of the indicative price range, the net proceeds from the Global Offering will decrease to approximately HK$1,626.2 million. In the event that the Over-allotment Option is exercised in full, we intend to apply the additional net proceeds to the above purpose in the proportions stated above.

To the extent that our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings. To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, the unused net proceeds will only be held in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed use of proceeds.

HONG KONG UNDERWRITERS

Huatai Financial Holdings (Hong Kong) Limited
GF Securities (Hong Kong) Brokerage Limited
CMB International Capital Limited
BOCOM International Securities Limited
ABCI Securities Company Limited
ICBC International Securities Limited
BOCI Asia Limited
Futu Securities International (Hong Kong) Limited
Livermore Holdings Limited
TradeGo Markets Limited
Huaan Securities (Hong Kong) Brokerage Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. Our Company expects the International Offering to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Sponsor-overall Coordinator (for itself and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 9,678,000 Hong Kong Offer Shares and the International Offering of initially 87,102,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure and Conditions of the Global Offering" in this prospectus.

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on February 26, 2026. As described in the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription on and subject to the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting the listing of, and permission to deal in, our H Shares in issue and to be issued pursuant to the Global Offering as mentioned herein (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the listing and permission not having been revoked and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally (but not jointly) to subscribe or procure subscribers for their applicable proportion of the Hong Kong Offer Shares which are now being offered but are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters), in its sole and absolute discretion, shall have the right by giving a written notice to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect if, any of the following events shall occur prior to 8:00 a.m. on the Listing Date:

(a) there develops, occurs, exists or comes into force:

(i) any new law or regulation or any change or development involving a prospective change in existing law or regulation, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), or other jurisdictions relevant to the Company (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**");

(ii) any change or development involving a prospective change, or any event or series of events likely to result in a change or prospective change, in local, national, regional or international financial, political, military, industrial, economic, fiscal, regulatory, currency, credit or market conditions or sentiments, equity securities or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter bank markets and credit markets) or currency exchange rate or controls in or affecting any Relevant Jurisdictions;

(iii) any event or series of events in the nature of force majeure including, without limitation, acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, other industrial actions, lock outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, public disorder, paralysis in government operations, acts of war, acts of God, epidemic, pandemic, outbreak or escalation of infectious disease, (including without limitation COVID-19, SARS, MERS, H5N1, H1N1, swine or avian influenza or such related/mutated forms), accident or interruption or delay in transportation in or affecting any of the Relevant Jurisdictions, or without limiting the foregoing, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions;

(iv) the imposition or declaration of (A) any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; (B) any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market or (C) any moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services in those places or jurisdictions;

(v) other than with the prior written consent of the Sole Sponsor, the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus, the Offering Circular, the CSRC Filings or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange the SFC and/or the CSRC;

(vi) any (A) change or prospective change in taxation, exchange controls, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies), or the implementation of any exchange control in any of the Relevant Jurisdictions, or (B) any change or prospective change in taxation in any Relevant Jurisdiction adversely affecting an investment in the H Shares;

(vii) the commencement by any Governmental Authority or other regulatory or political body or organization of any public action or investigation against a Director or an announcement by any such Governmental Authority or regulatory or political body or organization that it intends to take any such action;

(viii) the imposition of sanctions or export controls in whatever form directly on or relevant to any Group Companies or Controlling Shareholders or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly by, or on, any Relevant Jurisdiction, provided that such sanctions, export controls or withdrawal of trading privileges will or are expected to result in material adverse effect directly relating to the Global Offering;

(ix) any material adverse change or development or event involving a prospective material adverse change in the Group's assets, liabilities, profits, losses, performance, financial condition, business, earnings, trading position or prospects, or any change in capital stock or long-term debt of the Group, or any loss or interference with the assets, operations or business of the Group, provided that such change, development or event directly results in a material adverse effect on the Global Offering or the Company's ability to perform its obligations under the Hong Kong Underwriting Agreement, which (in any such case) is not set out in the prospectus; or any event, act or omission which gives rise or is reasonably likely to give rise to any liability of the Company pursuant to the indemnities in the Hong Kong Underwriting Agreement;

(x) any demand by creditors for repayment of indebtedness or an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group;

(xi) any non-compliance of the prospectus, the CSRC Filings (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares) or any aspect of the Global Offering with the Listing Rules, the CSRC Rules or any other applicable law;

(xii) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in the prospectus;

(xiii) any litigation or claim instigated, or any litigation or claim being threatened against any member of the Group or any Director in any Relevant Jurisdiction;

(xiv) any contravention by the Company or any Director of the Listing Rules or applicable laws;

which, in any such case individually or in the aggregate, in the absolute opinion of the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters): (I) has or will or may have a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement); (II) has or will or may have a material adverse effect on the success of the Global Offering and/or make it impracticable or inadvisable for any material part of Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; (III) has or will or may have a material adverse effect on the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; (IV) make, will or may make it impracticable or inadvisable to proceed with the Hong Kong Public Offering and/or the Global Offering, to market the Global Offering or the delivery of Shares on the Listing Date; or (V) has or will or may have the effect of making any part of Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of any the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters):

   (i) that any statement contained in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading;

   (ii) that any estimate, forecast, expression of opinion, intention or expectation contained in any of the Offering Documents(as defined in the Hong Kong Underwriting Agreement), the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become materially unfair, or misleading in any respect or based on untrue, dishonest or unreasonable assumptions with reference to the facts and circumstances then subsisting;

   (iii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the prospectus, constitute a material omission therefrom;

   (iv) it becomes necessary for the Company to issue a supplement to the prospectus or the CSRC Filings (or to any other documents used in connection with the Global Offering) pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules, the CSRC Rules or any requirement or request of the Stock Exchange, the SFC and/or the CSRC, unless consented by the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters);

(v) any breach of, or any event rendering untrue or incorrect in any material respect, any of the Warranties given by the Company in the Hong Kong Underwriting Agreement (except those already qualified by materiality);

(vi) any material breach of any of the obligations of the Company to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (to the extent they are party to such agreement);

(vii) a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement);

(viii) that (A) any Director or member of senior management of the Company named in the prospectus seeks to retire, or is removed or vacated from office, or (B) any certificate given by the Company or any of its respective officers to the Sponsor-Overall Coordinator under or in connection with the Hong Kong Underwriting Agreement or the Global Offering is false or misleading in any respect, or (C) any Director or any member of senior management of the Company named in the prospectus charged with an indictable offence or is being prohibited by operation of law or otherwise disqualified from taking part in the management of a company;

(ix) the Company withdraws the prospectus (and/or any other documents used in connection with the subscription of the Offer Shares pursuant to the Global Offering) or the Global Offering;

(x) the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares is refused or not granted, other than subject to customary conditions, on or before the date of the listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

(xi) any expert named in the prospectus (other than the Sole Sponsor) has withdrawn its respective consent to the issue of the prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears;

(xii) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering;

(xiii) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or

(xiv) (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made-by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise,

then the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) may, in its sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange Pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that, no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or our securities will be completed within six months from the Listing Date) except for: (a) any capitalization issue, capital reduction or consolidation or sub-division of Shares; or (b) issue of Shares or securities pursuant to the Global Offering and the Over-allotment Option; or (c) any other applicable circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and our Company that, he/she/it will not, and will procure the registered holder(s) controlled by the Controlling Shareholders will not:

(a) in the period commencing on the date of the prospectus and ending on the date which is six months from the Listing Date (the "**First Six-month Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares of the Company in respect of which he/she/it is shown in the prospectus to be the beneficial owner (the "**Relevant Securities**").

(b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests, or encumbrances in respect of, any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be a controlling shareholder of our Company (as defined in the Listing Rules).

Note 2 to Rule 10.07(2) of the Listing Rules provides that the foregoing shall not prevent the Controlling Shareholders from using securities of the Company beneficially owned by them as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan. For the avoidance of doubt, the lock-up under the above undertakings shall not apply to the existing pledge of A Shares by the Controlling Shareholders prior to Listing.

Pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, the Controlling Shareholders have undertaken to the Stock Exchange, the Sole Sponsor and our Company that, within the period commencing on the date by reference to which disclosure of their shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, they will:

(a) when any of them pledges or charges any Relevant Securities in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan in accordance with Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform our Company in writing of such pledge or charge together with the number of the Relevant Securities so pledged or charged; and

(b) when any of them receives indications, either verbal or written, from the pledgee or charge that any of the pledged or charged securities will be disposed of, immediately inform our Company in writing of such indications.

Our Company will inform the Stock Exchange as soon as we have been informed of the matters referred to in paragraphs (a) and (b) above (if any) by the Controlling Shareholders and disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, the Company has undertaken to the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the "**First Six Month Period**"), it will not and will use its best endeavours to procure each other member of the Group not to, without the prior written consent of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, assign, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create any claim, mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, equitable right, power of sale, hypothecation, retention of title, right of pre-emption or other third-party claim, right, interest or preference or any other encumbrance of any kind or an agreement, arrangement or obligation to create any of the foregoing (the "**Encumbrance**") over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in any Shares or other equity securities of the Company, or any interests in any of the foregoing (including, without limitation, any securities that are convertible into or exercisable or exchangeable for or that represent the right to receive, or any warrants or other rights to purchase any Shares or other equity securities of the Company, as applicable), or deposit any Shares or other equity securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts;

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other equity securities of the Company, or any interest therein (including, but not limited to, any equity securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares);

(c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or

(d) offer to or agree to do any of the foregoing or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other equity securities, in cash or otherwise (whether or not the issue of such share capital or other equity securities will be completed within the First Six Month Period). The Company further agreed that, in the event the Company is allowed to enter into any of the transactions described in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the "**Second Six Month Period**"), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any H Shares or other equity securities of the Company.

The Company has agreed and undertaken to the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that it will comply with the minimum public float requirements specified in the Listing Rules or any waiver granted and not revoked by the Stock Exchange (the "**Minimum Public Float Requirement**"), and it will not effect any purchase of the H Shares, or agree to do so, which may reduce the holdings of the H Shares held by the public (as defined in Rule 8.24 of the Listing Rules) to below the Minimum Public Float Requirement on or before the date falling six months after the Listing Date without first having obtained the prior written consent of the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) (which consents shall not be unreasonably withheld, delayed or rejected).

Hong Kong Underwriters' Interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any H Shares or any securities of any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of our H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

The International Offering

In connection with the International Offering, it is expected that the Company will enter into the International Underwriting Agreement with the Sponsor-Overall Coordinator and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally and not jointly, agree to purchase the International Offer Shares being offered pursuant to the International Offering or procure subscribers or purchasers for such International Offer Shares.

It is expected that the International Underwriting Agreement may be terminated on similar ground as the Hong Kong Underwriting Agreement. Potential investors shall be reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Over-allotment Option

The Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 14,517,000 additional Offer Shares, representing no more than 15% of the number of Offer Shares initially being offered under the Global Offering, at the Offer Price to solely cover over-allocations in the International Offering, if any. We will delay delivery of the Offer Shares allocated to certain investors under the International Offering in order to cover over-allocation of the Offer Shares before exercise of the Over-allotment Option. See "Structure and Conditions of the Global Offering — Over-allotment Option."

Commission and Expenses

The Capital Market Intermediaries will receive an underwriting commission of 1.6% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option), out of which they will pay any sub-underwriting commissions and other fees.

The Capital Market Intermediaries may receive a discretionary incentive fee of up to 0.8% of the aggregate Offer Price of all the Offer Shares to be issued by our Company under the Global Offering (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option).

Assuming full payment of the discretionary incentive fee, the fixed fees and the discretionary fees payable to the Underwriters represent approximately 66.67% and 33.33%, respectively, of the aggregate fees payable to the Capital Market Intermediaries in total in connection with the Global Offering.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$79.9 million (assuming (i) an indicative offer price of HK$16.18 per Offer Share (which is the mid-point of the Offer Price range), (ii) the full payment of the discretionary incentive fee, and (iii) no exercise of the Over-allotment Option) and will be paid by our Company.

Indemnity

The Company has agreed to indemnify the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer, including losses incurred from its performance of its obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement.

Sole Sponsor's Fee

A fee of US$450,000 is payable by the Company as sponsor fees to the Sole Sponsor.

SOLE SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, fund management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, securities investment and trading in the H Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the Stock Exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure and Conditions of the Global Offering" in this prospectus. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the followings:

(a) the Syndicate Members and their respective affiliates (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members and their respective affiliates must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and each of their affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(a) the Hong Kong Public Offering of 9,678,000 H Shares (subject to adjustment as mentioned below) in Hong Kong as described below in the section headed "The Hong Kong Public Offering"; and

(b) the International Offering of an aggregate of 87,102,000 H Shares (subject to adjustment and the Over-allotment Option as mentioned below) outside the United States in offshore transactions in accordance with Regulation S.

Investors may apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 10.00% of the enlarged issued share capital of the Company immediately after completion of the Global Offering, assuming the Over-allotment Option is not exercised and no A shares are issued pursuant to the exercise of the 2025 Share Option Scheme. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 11.33% of the enlarged issued share capital of the Company immediately after the completion of the Global Offering.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

We are initially offering 9,678,000 Shares for subscription by the public in Hong Kong at the Offer Price, representing 10% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 1.00% of the Company's enlarged issued share capital immediately after completion of the Global Offering (assuming that the Over-allotment Option is not exercised and options granted under the 2025 Share Option Scheme are not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in "— Conditions of the Global Offering."

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering, and such applicant's application under the International Offering is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

The listing of the H Shares on the Stock Exchange is sponsored by the Sole Sponsor. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$17.00 per Hong Kong Offer Share in addition to the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable on each Hong Kong Offer Share. If the Offer Price, as finally determined in the manner described in "— Pricing and Allocation" below, is less than the maximum Offer Price of HK$17.00 per Offer Share, appropriate refund payments (including the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. For further details, see "How to Apply for the Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

The International Offering will consist of an initial offering of 87,102,000 Offer Shares, representing 90% of the total number of Offer Shares initially available under the Global Offering and approximately 9.00% of the Company's enlarged issued share capital immediately after completion of the Global Offering (assuming that the Over-allotment Option is not exercised and options granted under the 2025 Share Option Scheme are not exercised).

The Stabilizing Manager or its affiliates or any person acting for it may over-allocate up to and not more than an aggregate of 14,517,000 additional Offer Shares, which is 15% of the Offer Shares initially available under the Global Offering, and cover such over-allocations by (among other methods) exercising the Over-allotment Option in full or in part or by using Shares purchased by the Stabilizing Manager, its affiliates or any person acting for it in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

The Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Sponsor-Overall Coordinator so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the International Offering.

Any investor who has been offered Offer Shares and has made an application under the Hong Kong Public Offering shall provide sufficient information to the Sponsor-Overall Coordinator so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that such investor will not apply for any Offer Shares under the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinator on behalf of the International Underwriters.

Pursuant to the Over-allotment Option, the International Underwriters have the right, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 14,517,000 additional Offer Shares, representing 15% of the Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering, to solely cover over-allocations in the International Offering, if any. We will delay delivery of the Offer Shares allocated to certain investors under the International Offering in order to cover over-allocation of the Offer Shares before exercise of the Over-allotment Option.

If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 1.48% of our enlarged issued share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of our H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. Any market purchases of our H Shares will be effected in compliance with all applicable laws and regulatory requirements. However, the Stabilizing Manager has been or will be appointed as Stabilizing Manager for the purposes of the Global Offering in accordance with the Securities and Futures (Price Stabilizing) Rules, as amended, under the SFO and hence, there is no obligation on the Stabilizing Manager, its affiliates or any persons acting for it, to conduct any such stabilizing action. Such stabilizing action, if commenced, will be conducted at the absolute discretion of the Stabilizing Manager, its affiliates or any person acting for it and may be discontinued at any time, and is required to be brought to an end after a limited period.

Stabilization actions permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules, as amended, include (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of our H Shares, (ii) selling or agreeing to sell our H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of our H Shares, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, our H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of our Offer Shares for the sole purpose of preventing or minimizing any reduction in the market price of our H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v).

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager, its affiliates or any person acting for it, may, in connection with the stabilizing action, maintain a long position in our H Shares;

- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager, its affiliates or any person acting for it, will maintain such a long position;

- liquidation of any such long position by the Stabilizing Manager, its affiliates or any person acting for it and selling in the open market, may have an adverse impact on the market price of our H Shares;

- no stabilizing action can be taken to support the price of our H Shares for longer than the stabilization period which will begin on the Listing Date, and is expected to expire on Friday, April 3, 2026, being the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for our H Shares, and therefore the price of our H Shares, could fall;

- the price of our H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, acquiring the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager may arrange cover of up to an aggregate of 14,517,000 H Shares (representing up to 15% of the total number of Offer Shares initially available under the Global Offering) or through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be fully paid before the Listing Date. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilization period.

Over-allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by, among others, exercising the Over-allotment Option in full or in part, using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

PRICING AND ALLOCATION

Pricing

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or before Thursday, March 5, 2026, by agreement between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and the Company and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price per Hong Kong Offer Share under the Hong Kong Public Offering will be identical to the Offer Price per International Offer Share under the International Offering based on the Hong Kong dollar price per International Offer Share under the International Offering, as determined by the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and the Company. The Offer Price per Hong Kong Offer Share under the Hong Kong Public Offering will be fixed at the Hong Kong dollar amount which, when increased by the brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, payable thereon, is (subject to any necessary rounding) effectively equivalent to the Hong Kong dollar price per International Offer Share under the International Offering. The SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee otherwise payable by investors in the International Offering on International Offer Shares purchased by them will be paid by us.

The Offer Price will not be more than HK$17.00 per Offer Share and is expected to be not less than HK$15.36 per Offer Share unless otherwise announced, as further explained below, on the morning of the last day for lodging applications under the Hong Kong Public Offering. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, and with the consent of the Company, reduce the number of Offer Shares or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause there to be published on the website of the Company (**www.estun.com**) and the website of the Stock Exchange (**www.hkexnews.hk**) notices of the reduction in the number of Offer Shares or the indicative Offer Price range. The Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and the Company, will be fixed within such revised Offer Price range.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include such information as agreed with the Stock Exchange which may change materially as a result of any such reduction. In the absence of any such notice of reduction published as described in this paragraph, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon with the Company and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters), will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Announcement of Final Pricing of the Offer Shares

The Offer Price for H Shares under the Global Offering is expected to be announced on Friday, March 6, 2026. The level of indications of interest in the Global Offering, the level of applications and the basis of allotment of Hong Kong Offer Shares available under the Hong Kong Public Offering, are expected to be announced on Friday, March 6, 2026 on the website of the Company (**www.estun.com**) and the website of the Stock Exchange (**www.hkexnews.hk**).

Allocation

Allocation under the Hong Kong Public Offering

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (subject to the reallocation of the Offer Shares between the Hong Kong Public Offering and the International Offering referred to below) is to be divided equally into two pools (to the nearest board lot) for allocation purposes (with any odd board lots being allocated to pool A): pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value of pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 4,839,000 Offer Shares, being the number of Hong Kong Offer Shares initially allocated to each pool and representing 50% of the 9,678,000 Hong Kong Offer Shares initially available under the Hong Kong Public Offering, are to be rejected.

Allocation under the International Offering

The International Offering will include selective marketing of International Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such International Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of International Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "— Pricing and Allocation" above and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to hold or sell its H Shares, after the Listing. Such allocation is intended to result in a distribution of our H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base for the benefit of the Company and its Shareholders as a whole.

The Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) may require any investor who has been offered International Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sponsor-Overall Coordinator so as to allow it to identify the relevant application under the Hong Kong Public Offering and to ensure that it is excluded from any application of Offer Shares under the Hong Kong Public Offering.

Reallocation

The Sponsor-Overall Coordinator may allocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

The Sponsor-Overall Coordinator may in their sole discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In particular, if (i) the International Offering is not fully subscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed where initial allocation to Hong Kong Public Offering is less than 15%; or (ii) the International Offering is fully subscribed or oversubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed where initial allocation to Hong Kong Public Offering is less than 15%, the Sponsor-Overall Coordinator has the authority to reallocate International Offer Shares originally included in the International Offering to the Hong Kong Public Offering in such number as they deem appropriate, provided that in accordance with Chapter 4.14 of the Guide, the number of International Offer Shares reallocated to the Hong Kong Public Offering should not exceed 4,839,000 Shares, increasing the total number of Offer Shares available under the Hong Kong Public Offering to 14,517,000 Shares, representing approximately 15% of the number of the Offer Shares initially available under the Global Offering and the final Offer Price shall be fixed at the bottom end of the indicative price range (i.e. HK$15.36 per Offer Share).

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-Overall Coordinator deems appropriate.

If the Hong Kong Public Offering is not fully subscribed, the Sponsor-Overall Coordinator has the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Sponsor-Overall Coordinator deem appropriate.

However, if neither the Hong Kong Public Offering nor the International Offering is fully subscribed, the Global Offering will not proceed unless the Underwriters would subscribe for or procure subscribers to subscribe for respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the Underwriting Agreements.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Friday, March 6, 2026.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company agreeing on the Offer Price.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including H Shares that may be issued pursuant to the exercise of the Over-allotment Option) and the approval for such listing and permission not subsequently having been revoked prior to the Listing Date;

(b) the Offer Price being duly agreed between the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and the Company on or before the Price Determination Date;

(c) the execution and delivery of the International Underwriting Agreement on or before the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement or the International Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and the Company on or before the Thursday, March 5, 2026 on Price Determination Date, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published on the website of the Company (**www.estun.com**) and the website of the Stock Exchange (**www.hkexnews.hk**) on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for the Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

DEALING ARRANGEMENT

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, March 9, 2026, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, March 9, 2026. Our H Shares will be traded in board lots of 200 H Shares each. The stock code of the H Shares is 2715.

H Share certificates issued in respect of the Offer Shares will only become valid evidence of title at 8:00 a.m. on Monday, March 9, 2026 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under the "HKEXnews > New Listings > New Listing Information" section, and our website at **www.estun.com**.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address (for the **White Form eIPO** service only); and
- are outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to our Company, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder of our Company;
- are a Director or chief executive of our Company and/or a director or chief executive of any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above persons;
- are a connected person (as defined in the Listing Rules) of our Company or will become a connected person of our Company immediately upon the completion of the Global Offering; or
- have been allocated or have applied for or indicated an interest in any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Friday, February 27, 2026 and end at 12:00 noon on Wednesday, March 4, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	**www.eipo.com.hk**	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Friday, February 27, 2026 to 11:30 a.m. on Wednesday, March 4, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Wednesday, March 4, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic**

application instructions are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You <u>must</u> provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s)[2] as shown on your identity document	• Full name(s)[2] as shown on your identity document

For Individual/Joint Applicants	For Corporate Applicants
• Identity document's issuing country or jurisdiction	• Identity document's issuing country or jurisdiction
• Identity document type, with order of priority:	• Identity document type, with order of priority:
i. HKID card; or	i. LEI registration document; or
ii. National identification document; or	ii. Certificate of incorporation; or
iii. Passport; and	iii. Business registration certificate; or
• Identity document number	iv. Other equivalent document; and
	• Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice. The maximum number is subject to change, if the Company's Articles of Association and applicable company law prescribe a lower cap.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Sponsor-Overall Coordinator, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	200 H Shares
Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below. The maximum Offer Price is HK$17.00 per H Share. If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application
	HK$		*HK$*		*HK$*		*HK$*
200	3,434.29	3,000	51,514.34	40,000	686,857.80	500,000	8,585,722.50
400	6,868.57	4,000	68,685.78	50,000	858,572.26	600,000	10,302,867.00
600	10,302.88	5,000	85,857.23	60,000	1,030,286.70	700,000	12,020,011.50
800	13,737.16	6,000	103,028.66	70,000	1,202,001.16	800,000	13,737,156.00
1,000	17,171.45	7,000	120,200.11	80,000	1,373,715.60	900,000	15,454,300.50
1,200	20,605.73	8,000	137,371.55	90,000	1,545,430.06	1,000,000	17,171,445.00
1,400	24,040.02	9,000	154,543.00	100,000	1,717,144.50	1,500,000	25,757,167.50
1,600	27,474.31	10,000	171,714.46	200,000	3,434,289.00	2,000,000	34,342,890.00
1,800	30,908.61	20,000	343,428.90	300,000	5,151,433.50	3,000,000	51,514,335.00
2,000	34,342.89	30,000	515,143.36	400,000	6,868,578.00	4,839,000(1)	83,092,622.35

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "*— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply.*" If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorise us and/or the Sponsor-Overall Coordinator, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons, the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes" and "— G. Personal Data — 4. Transfer of personal data";

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results";

(x) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares";

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) on firm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, or chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, or chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Sponsor-Overall Coordinator will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **White Form eIPO** Service Provider or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and the **White Form eIPO** Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

1. Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **White Form eIPO** service or HKSCC EIPO channel:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID Number" function.	24 hours, from 11:00 p.m. on Friday, March 6, 2026 to 12:00 midnight on Thursday, March 12, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.estun.com** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Friday, March 6, 2026 (Hong Kong time)
Telephone . . .	+852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar.	between 9:00 a.m. and 6:00 p.m., from Monday, March 9, 2026 to Thursday, March 12, 2026 (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Thursday, March 5, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Thursday, March 5, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

2. Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.estun.com** by no later than 11:00 p.m. on Friday, March 6, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Sponsor-Overall Coordinator, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;

- the Underwriting Agreements do not become unconditional or are terminated;

- we or the Sponsor-Overall Coordinator believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the Global Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Monday, March 9, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate[1]	Collection in person from H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account.
For physical share certificates of 1,000,000 or more Offer Shares issued under your own name	Time: 9:00 a.m. to 1:00 p.m. on Monday, March 9, 2026 (Hong Kong time)	No action by you is required.
	If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	
	Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.	
	Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	

	White Form eIPO service	HKSCC EIPO channel
For physical share certificates of less than 1,000,000 Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.	
	Time: Friday, March 6, 2026	
Refund mechanism for surplus application monies paid by you		
Date	Monday, March 9, 2026	Subject to the arrangement between you and your broker or custodian.
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**White Form e-Refund** payment instructions to your designated bank account.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

Note:

1. Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong on the business day before the Listing Date rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. See "— E. Bad Weather Arrangements."

E. BAD WEATHER ARRANGEMENTS

1. The Opening and Closing of the Application Lists

The application lists will not open or close on Wednesday, March 4, 2026 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions, (collectively, "**Bad Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, March 4, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Bad Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.estun.com** of the revised timetable.

If a Bad Weather Signal is hoisted on Friday, March 6, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Monday, March 9, 2026.

If a Bad Weather Signal is hoisted on Friday, March 6, 2026, for physical share certificates of less than 1,000,000 Offer Shares issued under your own name, the despatch of physical H Share certificates will be made by ordinary post when the post office re-opens after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Friday, March 6, 2026 or on Monday, March 9, 2026).

If a Bad Weather Signal is hoisted on Monday, March 9, 2026, for physical share certificates of 1,000,000 or more Offer Shares issued under your own name, physical H Share certificates will be available for collection in person at the H Share Registrar's office after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Monday, March 9, 2026 or on Tuesday, March 10, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-93, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ESTUN AUTOMATION CO., LTD 南京埃斯頓自動化股份有限公司AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of ESTUN AUTOMATION CO., LTD 南京埃斯頓自動化股份有限公司 (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-93, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 30 September 2025, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025 (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 pages I-4 to I-93 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 27 February 2026 (the "Prospectus") in connection with the initial listing 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 preparation and presentation set out in Note 1 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 (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2022, 2023 and 2024 and 30 September 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine months ended 30 September 2024 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 31(b) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
27 February 2026

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, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December			Nine months ended 30 September	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue	*4*	3,880,779	4,651,949	4,008,772	3,370,274	3,803,570
Cost of sales		(2,604,561)	(3,196,854)	(2,874,742)	(2,364,083)	(2,732,855)
Gross profit		**1,276,218**	**1,455,095**	**1,134,030**	**1,006,191**	**1,070,715**
Other net income	*5*	136,982	139,150	123,035	107,798	63,208
Selling expenses		(292,807)	(399,331)	(445,689)	(324,136)	(308,396)
Administrative expenses		(416,562)	(466,358)	(550,149)	(381,748)	(330,369)
Research and development expenses		(307,580)	(388,468)	(442,233)	(306,610)	(318,511)
(Provision for)/reversal of impairment loss on trade receivables and contract assets	*6(c)*	(34,888)	(29,579)	(62,689)	(21,603)	4,813
Impairment loss on intangible assets and goodwill	*6(c)*	–	–	(360,467)	–	–
Profit/(loss) from operations		**361,363**	**310,509**	**(604,162)**	**79,892**	**181,460**
Finance costs	*6(a)*	(93,990)	(130,538)	(154,193)	(103,909)	(119,487)
Share of profits less losses of associates		(3,765)	(12,434)	(17,169)	(12,875)	(2,143)
Profit/(loss) before taxation	6	**263,608**	**167,537**	**(775,524)**	**(36,892)**	**59,830**
Income tax	*7*	(80,049)	(33,910)	(42,161)	(25,267)	(30,130)
Profit/(loss) for the year/period		**183,559**	**133,627**	**(817,685)**	**(62,159)**	**29,700**
Attributable to:						
Equity shareholders of the Company		166,780	135,672	(810,929)	(67,119)	25,372
Non-controlling interests		16,779	(2,045)	(6,756)	4,960	4,328
Profit/(loss) for the year/period		**183,559**	**133,627**	**(817,685)**	**(62,159)**	**29,700**
Earnings/(loss) per share	*10*					
Basic and diluted (RMB)		0.19	0.16	(0.94)	(0.08)	0.03

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit/(loss) for the year/period	183,559	133,627	(817,685)	(62,159)	29,700
Other comprehensive income for the year/period (after tax and reclassification adjustments)					
Item that will not be reclassified to profit or loss:					
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserves (non-recycling)	4,676	5,849	21,297	–	(16,166)
Items that are or may be reclassified subsequently to profit or loss:					
Remeasurement of net defined benefit plan obligations of overseas entities	63,307	3,367	(8,403)	–	(10,239)
Exchange differences on translation of financial statements of overseas entities	(9,397)	19,741	(70,476)	840	138,843
Other comprehensive income for the year/period	58,586	28,957	(57,582)	840	112,438
Total comprehensive income for the year/period	**242,145**	**162,584**	**(875,267)**	**(61,319)**	**142,138**
Attributable to:					
Equity shareholders of the Company	218,075	164,449	(868,511)	(66,279)	137,810
Non-controlling interests	24,070	(1,865)	(6,756)	4,960	4,328
Total comprehensive income for the year/period	**242,145**	**162,584**	**(875,267)**	**(61,319)**	**142,138**

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31 December			As at 30 September
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*11*	916,167	1,321,846	1,513,277	1,554,716
Investment property	*11*	–	–	–	52,826
Right-of-use assets	*12*	226,767	241,468	267,756	247,906
Intangible assets	*13*	455,064	553,358	560,502	560,509
Goodwill	*14*	1,485,681	1,485,681	1,104,079	1,044,588
Interests in associates	*15*	52,565	85,324	46,308	263,858
Financial assets measured at FVOCI	*17*	134,480	141,440	180,208	173,261
Financial assets measured at fair value through profit or loss ("FVPL")	*18*	262,214	291,572	213,732	221,182
Trade and other receivables	*21*	58,117	61,454	18,652	28,967
Deferred tax assets	*28(b)*	175,854	206,619	172,630	130,997
		3,766,909	4,388,762	4,077,144	4,278,810
Current assets					
Inventories	*19*	1,130,490	1,340,221	1,721,045	1,446,241
Contract assets	*20(a)*	121,414	203,712	168,646	229,697
Trade and other receivables	*21*	1,920,889	2,454,865	2,557,475	2,812,345
Income tax recoverable	*28(a)*	14,532	30,724	30,740	22,947
Financial assets measured at FVPL	*18*	578,115	435,820	388,913	170,136
Restricted bank deposits	*22(a)*	49,972	31,142	15,832	51,291
Cash and cash equivalents	*22(a)*	668,322	1,196,253	1,181,104	1,121,966
		4,483,734	5,692,737	6,063,755	5,854,623
Current liabilities					
Trade and other payables	*23*	1,582,591	2,299,421	2,555,557	2,658,426
Contract liabilities	*20(b)*	249,105	297,507	505,014	520,383
Bank loans and other borrowings	*24*	1,453,271	2,404,602	2,929,370	2,811,806
Lease liabilities	*25*	13,517	12,522	20,120	17,864
Income tax payable	*28(a)*	19,373	10,541	2,271	16,836
		3,317,857	5,024,593	6,012,332	6,025,315
Net current assets/(liabilities)		1,165,877	668,144	51,423	(170,692)
Total assets less current liabilities		4,932,786	5,056,906	4,128,567	4,108,118

	Note	As at 31 December			As at 30 September
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Bank loans and other borrowings	*24*	1,430,092	1,809,984	1,792,601	1,624,891
Lease liabilities	*25*	54,772	43,005	67,300	64,265
Defined benefit plan obligations	*26*	190,619	198,964	201,582	236,510
Deferred income	*29*	59,726	49,775	68,055	97,765
Provisions	*30*	34,156	37,716	37,144	65,752
Deferred tax liabilities	*28(b)*	82,077	93,086	66,795	32,703
Other non-current liabilities		11,438	2,362	2,388	2,483
		1,862,880	2,234,892	2,235,865	2,124,369
NET ASSETS		3,069,906	2,822,014	1,892,702	1,983,749
CAPITAL AND RESERVES					
Share capital	*31(c)*	869,115	869,531	869,531	871,018
Reserves		1,904,847	1,829,081	919,001	1,069,774
Total equity attributable to equity shareholders of the Company		2,773,962	2,698,612	1,788,532	1,940,792
Non-controlling interests		295,944	123,402	104,170	42,957
TOTAL EQUITY		3,069,906	2,822,014	1,892,702	1,983,749

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Note	As at 31 December			As at 30 September
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	11	488,856	723,682	738,595	650,801
Right-of-use assets	12	105,284	93,136	80,987	71,876
Intangible assets	13	191,135	234,682	245,093	242,266
Interests in associates		12,153	45,237	5,933	3,959
Interests in subsidiaries	16	1,764,388	2,093,535	2,700,959	2,779,803
Financial assets measured at FVOCI	17	56,228	63,188	101,955	123,252
Financial assets measured at FVPL	18	252,215	278,417	200,578	208,028
Trade and other receivables	21	7,271	8,768	3,105	10,060
Deferred tax assets		94,978	124,149	65,776	44,095
		2,972,508	3,664,794	4,142,981	4,134,140
Current assets					
Inventories	19	182,430	183,769	161,647	132,076
Contract assets		–	2,283	–	706
Trade and other receivables	21	1,924,893	2,130,319	2,188,073	1,740,915
Income tax recoverable		520	1	–	–
Financial assets measured at FVPL	18	578,115	322,572	183,645	10,007
Restricted bank deposits	22(a)	28,910	4,979	5,046	12,654
Cash and cash equivalents	22(a)	187,492	385,448	555,138	478,478
		2,902,360	3,029,371	3,093,549	2,374,836
Current liabilities					
Trade and other payables	23	1,553,144	1,728,844	1,844,094	1,087,498
Contract liabilities		43,305	12,058	2,256	2,114
Bank loans and other borrowings	24	659,602	1,065,080	1,599,283	2,056,859
Lease liabilities		22,140	10,821	13,923	8,112
Income tax payable		1,017	–	–	–
		2,279,208	2,816,803	3,459,556	3,154,583
Net current assets/(liabilities)		623,152	212,568	(366,007)	(779,747)
Total assets less current liabilities		3,595,660	3,877,362	3,776,974	3,354,393
Non-current liabilities					
Bank loans and other borrowings	24	1,109,000	1,332,175	1,310,057	964,740
Lease liabilities		22,101	11,281	–	–
Deferred income		39,076	31,985	53,281	50,507
Deferred tax liabilities		13,947	18,694	19,462	–
Other non-current liabilities		9,103	–	–	–
		1,193,227	1,394,135	1,382,800	1,015,247
NET ASSETS		2,402,433	2,483,227	2,394,174	2,339,146
CAPITAL AND RESERVES					
Share capital	31(c)	869,115	869,531	869,531	871,018
Reserves		1,533,318	1,613,696	1,524,643	1,468,128
TOTAL EQUITY		2,402,433	2,483,227	2,394,174	2,339,146

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to equity shareholders of the Company									
	Note	Share capital	Treasury shares	Share premium	PRC statutory reserves	Share-based payment reserve	Other 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*	*RMB'000*
Balance at 1 January 2022		868,638	(107,674)	1,231,951	52,137	36,512	8,764	498,974	2,589,302	292,031	2,881,333
Changes in equity for 2022:											
Profit for the year		–	–	–	–	–	–	166,780	166,780	16,779	183,559
Other comprehensive income		–	–	–	–	–	51,295	–	51,295	7,291	58,586
Total comprehensive income		–	–	–	–	–	51,295	166,780	218,075	24,070	242,145
Purchase of own shares	*31(d)*	–	(31,141)	–	–	–	–	–	(31,141)	–	(31,141)
Equity-settled share-based transactions	*27*	477	69,529	(56,732)	–	10,253	–	–	23,527	–	23,527
Disposal of financial assets measured at FVOCI		–	–	–	–	–	(6,033)	6,033	–	–	–
Appropriation to statutory reserves	*31(e)*	–	–	–	17,303	–	–	(17,303)	–	–	–
Capital contribution from non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	1,800	1,800
Appropriation of dividends to non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	(21,957)	(21,957)
Dividends approved in respect of the previous year	*31(b)*	–	–	–	–	–	–	(25,801)	(25,801)	–	(25,801)
Balance at 31 December 2022		869,115	(69,286)	1,175,219	69,440	46,765	54,026	628,683	2,773,962	295,944	3,069,906

		Attributable to equity shareholders of the Company									
	Note	Share capital	Treasury shares	Share premium	PRC statutory reserves	Share-based payment reserve	Other 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*	*RMB'000*
Balance at 1 January 2023		869,115	(69,286)	1,175,219	69,440	46,765	54,026	628,683	2,773,962	295,944	3,069,906
Changes in equity for 2023:											
Profit for the year		–	–	–	–	–	–	135,672	135,672	(2,045)	133,627
Other comprehensive income		–	–	–	–	–	28,777	–	28,777	180	28,957
Total comprehensive income		–	–	–	–	–	28,777	135,672	164,449	(1,865)	162,584
Equity-settled share-based transactions	*27*	416	9,195	3,252	–	6,502	–	–	19,365	–	19,365
Disposal of financial assets measured at FVOCI		–	–	–	–	–	450	(450)	–	–	–
Appropriation to statutory reserves	*31(e)*	–	–	–	8,159	–	–	(8,159)	–	–	–
Capital contribution from non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	6,004	6,004
Appropriation of dividends to non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	(8,660)	(8,660)
Dividends approved in respect of the previous year	*31(b)*	–	–	–	–	–	–	(26,014)	(26,014)	–	(26,014)
Acquisition of non-controlling interests	*31(e)*	–	–	(233,150)	–	–	–	–	(233,150)	(168,021)	(401,171)
Balance at 31 December 2023		869,531	(60,091)	945,321	77,599	53,267	83,253	729,732	2,698,612	123,402	2,822,014

	Note	Attributable to equity shareholders of the Company									
		Share capital	Treasury shares	Share premium	PRC statutory reserves	Share-based payment reserve	Other reserve	Retained earnings/ (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*	*RMB'000*
Balance at 1 January 2024		869,531	(60,091)	945,321	77,599	53,267	83,253	729,732	2,698,612	123,402	2,822,014
Changes in equity for 2024:											
Loss for the year		–	–	–	–	–	–	(810,929)	(810,929)	(6,756)	(817,685)
Other comprehensive income		–	–	–	–	–	(57,582)	–	(57,582)	–	(57,582)
Total comprehensive income		–	–	–	–	–	(57,582)	(810,929)	(868,511)	(6,756)	(875,267)
Equity-settled share-based transactions	*27*	–	–	–	–	10,451	–	–	10,451	–	10,451
Disposal of financial assets measured at FVOCI		–	–	–	–	–	1,600	(1,600)	–	–	–
Acquisition of a subsidiary		–	–	–	–	–	–	–	–	2,878	2,878
Capital contribution from non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	6,246	6,246
Appropriation of dividends to non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	(21,600)	(21,600)
Dividends approved in respect of the previous year	*31(b)*	–	–	–	–	–	–	(52,020)	(52,020)	–	(52,020)
Balance at 31 December 2024		869,531	(60,091)	945,321	77,599	63,718	27,271	(134,817)	1,788,532	104,170	1,892,702

	Note	Attributable to equity shareholders of the Company									
		Share capital	Treasury shares	Share premium	PRC statutory reserves	Share-based payment reserve	Other 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*	*RMB'000*
Balance at 1 January 2025		869,531	(60,091)	945,321	77,599	63,718	27,271	(134,817)	1,788,532	104,170	1,892,702
Changes in equity for 2025:											
Profit for the period		–	–	–	–	–	–	25,372	25,372	4,328	29,700
Other comprehensive income		–	–	–	–	–	112,438	–	112,438	–	112,438
Total comprehensive income		–	–	–	–	–	112,438	25,372	137,810	4,328	142,138
Equity-settled share-based transactions	*27*	4,000	(41,080)	37,080	–	14,450	–	–	14,450	–	14,450
Cancellation of shares	*31(d)*	(2,513)	60,091	(57,578)	–	–	–	–	–	–	–
Disposal of subsidiaries	*16*	–	–	–	–	–	–	–	–	(62,631)	(62,631)
Appropriation of dividends to non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	(3,360)	(3,360)
Capital contribution from non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	450	450
Balance at 30 September 2025		871,018	(41,080)	924,823	77,599	78,168	139,709	(109,445)	1,940,792	42,957	1,983,749

(Unaudited)	Note	Attributable to equity shareholders of the Company								Non-controlling interests	Total equity
		Share capital	Treasury shares	Share premium	PRC statutory reserves	Share-based payment reserve	Other reserve	Retained earnings	Sub-total		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2024		869,531	(60,091)	945,321	77,599	53,267	83,253	729,732	2,698,612	123,402	2,822,014
Changes in equity for 2024:											
(Loss)/profit for the period		–	–	–	–	–	–	(67,119)	(67,119)	4,960	(62,159)
Other comprehensive income		–	–	–	–	–	840	–	840	–	840
Total comprehensive income		–	–	–	–	–	840	(67,119)	(66,279)	4,960	(61,319)
Equity-settled share-based transactions	*27*	–	–	–	–	11,384	–	–	11,384	–	11,384
Capital contribution from non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	1,417	1,417
Appropriation of dividends to non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	(21,600)	(21,600)
Dividends approved in respect of the previous year	*31(b)*	–	–	–	–	–	–	(52,020)	(52,020)	–	(52,020)
Balance at 30 September 2024		869,531	(60,091)	945,321	77,599	64,651	84,093	610,593	2,591,697	108,179	2,699,876

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Operating activities						
Cash generated from/(used in) operations	*22(b)*	83,752	74,997	(53,932)	(494,500)	325,794
Income tax paid	*28(a)*	(66,270)	(74,283)	(50,103)	(36,556)	(25,733)
Net cash generated from/(used in) operating activities		17,482	714	(104,035)	(531,056)	300,061
Investing activities						
Payment for purchase of property, plant and equipment, intangible assets and right-of-use assets		(189,117)	(300,394)	(281,881)	(216,871)	(171,622)
Payment for development costs		(94,044)	(115,649)	(60,684)	(42,953)	(35,703)
Proceeds from disposal of property, plant and equipment		30,617	1,740	13,281	5,334	1,723
Net proceeds from disposal of interests in subsidiaries		41,253	–	–	–	25,057
Net proceeds from disposal of interests in associates		–	–	24,000	12,000	13,440
Deposits of disposal of interests in associates received		–	–	–	–	23,226
Proceeds from disposal of financial assets measured at FVPL		–	–	75,000	–	–
Payment for acquisition of a subsidiary, net of cash acquired		–	–	(4,991)	(2,500)	–
Payment for purchase of financial assets measured at FVPL		(87,098)	(30,000)	–	–	–

	Note	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Payment for purchase of financial assets measured at FVOCI		(3,450)	–	–	–	(6,500)
Payment for purchase of wealth management products		(718,291)	(1,300,105)	(1,773,172)	(1,156,198)	(1,698,980)
Payment for acquisition of non-controlling interests		–	(401,171)	–	–	–
Proceeds from redemption of wealth management products		737,226	1,436,927	1,803,679	1,162,917	1,857,776
Interest received		17,845	21,279	11,602	7,454	9,702
Dividends received from financial assets measured at FVPL		–	8,517	52	52	5,428
Dividends received from associates		3,018	681	620	–	420
Net cash (used in)/ generated from investing activities		(262,041)	(678,175)	(192,494)	(230,765)	23,967
Financing activities						
Proceeds from bank loans	*22(c)*	1,956,047	4,310,347	3,515,466	2,947,817	2,154,458
Repayment of bank loans	*22(c)*	(1,444,596)	(3,212,755)	(3,046,284)	(2,193,315)	(2,467,357)
Interest paid for bank loans	*22(c)*	(66,908)	(120,209)	(124,406)	(70,804)	(96,068)
Proceeds from other borrowings	*22(c)*	–	380,000	35,000	35,000	–
Payment for capital element of lease liabilities	*22(c)*	(12,288)	(9,206)	(16,188)	(12,390)	(11,844)
Payment for interest element of lease liabilities	*22(c)*	(2,229)	(2,062)	(1,866)	(1,552)	(3,714)
Repayments of borrowings from the controlling shareholder	*22(c)*	(109,416)	(110,000)	(11,112)	(11,112)	–

	Note	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Contribution from non-controlling shareholders of subsidiaries		1,800	6,004	6,246	1,417	450
Proceeds from issuance of restricted shares units		–	–	–	–	41,080
Payment for purchase of own shares	*31(d)*	(31,141)	–	–	–	–
Payment for listing expenses		–	–	–	–	(16,434)
Dividends paid to equity shareholders of the Company		(25,801)	(26,014)	(52,020)	(52,020)	–
Dividends paid to non-controlling shareholders of subsidiaries		(21,957)	(8,660)	(21,600)	–	–
Net changes in restricted bank deposits		10,359	(6,499)	5,493	(32,173)	–
Net cash generated from/(used in) financing activities		253,870	1,200,946	288,729	610,868	(399,429)
Net increase/(decrease) in cash and cash equivalents		9,311	523,485	(7,800)	(150,953)	(75,401)
Cash and cash equivalents at the beginning of the year/period		652,937	668,322	1,196,253	1,196,253	1,181,104
Effect of foreign exchange rate changes		6,074	4,446	(7,349)	191	16,263
Cash and cash equivalents at the end of the year/period	*22(a)*	668,322	1,196,253	1,181,104	1,045,491	1,121,966

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

ESTUN AUTOMATION CO., LTD (the "Company") was established in Nanjing, Jiangsu Province, the People's Republic of China (the "PRC") on 26 February 2002 as a limited liability company. The Company was converted from a limited liability company Nanjing Estun Digital Technology Co., Ltd. (南京埃斯頓數字技術有限公司) into a joint stock limited liability company ESTUN AUTOMATION CO., LTD (南京埃斯頓自動化股份有限公司) under the PRC Company Law on 5 July 2011. The Company's A shares have been listed on the Shenzhen Stock Exchange under the stock code 002747 since 20 March 2015.

During the Track Record Period, the Company and its subsidiaries (together, the "Group") are principally engaged in the manufacturing and sale of core automation components, motion control systems, industrial robots and intelligent manufacturing systems.

The financial statement of the Company and the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The statutory financial statements of the Company for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Zhonghui Certified Public Accountants LLP. (中匯會計師事務所(特殊普通合夥)).

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group recorded net current liabilities of RMB170,692,000 as at 30 September 2025. The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due and to sustain its operations for the foreseeable future after reviewing the Group's cash flow projection, taking into account the expected working capital requirements covering at least the next twelve months from 30 September 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 37.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and Stub Period Corresponding Financial Information are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICIES

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets measured at fair value through profit or loss ("FVPL") and the financial assets measured at FVOCI are stated at their fair value as explained in Note 2(f).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

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 consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statements of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statements of profit or loss and the consolidated statements of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of 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 recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statements of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An investment in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). It is initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see Note 2(k)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statements of financial position, an investment in an associate is stated at cost less impairment losses (see Note 2(k)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(e) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(k)(ii)).

(f) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 32(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(v)(ii)(c)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

– FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see Note 2(v)(ii)(b)).

(g) Investment property

Investment property are stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)). Depreciation is calculated to write off the cost of investment property, less their estimated residual value, using the straight-line method over their estimated useful lives as follows:

Plant and buildings . . . . 40 years

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with Note 2(v)(ii)(a).

(h) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)). The cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use. Subsequent expenditure relating to an item of property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the original assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in profit or loss in the period in which it is incurred.

Construction in progress represents buildings and various machinery, plant and equipment under construction and pending installation, and is stated at cost less impairment losses (see Note 2(k)(ii)). Cost comprises direct costs of construction as well as interest charges during the periods of construction.

Construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use. No depreciation is provided in respect of construction in progress.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property (freehold land excluded), plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Freehold land	not depreciated
Plant and buildings	20-40 years
Machinery and equipment	5-10 years
Motor vehicles	5-10 years
Office equipment and others	3-10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(i) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including software, non-patented technologies, concessions and patented technologies, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any impairment losses (see Note 2(k)(ii)).

Expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss. The estimated useful lives are as follows:

	Amortisation period	Basis of determination
	(years)	
Software	2-10 years	Expected years of economic benefits
Non-patented technologies	5-10 years	Expected years of economic benefits
Concessions	3-10 years	Expected years of economic benefits
Patented technologies	10 years	Expected years of economic benefits

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Intangible assets, including trademarks that are acquired by the Group, are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Notes 2(f)(i), 2(v)(ii)(c) and 2(k)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(v)(ii)(a).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(j)(i), then the Group classifies the sub-lease as an operating lease.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses ("ECL"s) on:

– financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, including those loans to associates that are held for the collection of contractual cash flows which represent solely payments of principal and interest);

– contract assets (see Note 2(m)); and

– lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual cash flows and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate;

– lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the consolidated statements of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Inventories and other contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable 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.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see Note 2(l)(i)), property, plant and equipment (see Note 2(h)) or intangible assets (see Note 2(i)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see Note 2(v)(i)).

(m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(v)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(k)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(n)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(v)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(n)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(v)(ii)).

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transactions costs. All receivables are subsequently stated at amortised cost (see Note 2(k)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(k)(i)).

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(q) Redemption liabilities

The Group's contractual obligations to purchase its own shares for cash upon the occurrence of events that are beyond the control of the Group and the holders give rise to financial liabilities. The redemption liability is initially measured at the present value of the redemption amount and subsequently measured at amortised cost with interest included in profit or loss.

The Group derecognises the redemption liabilities when, and only when, the Group's redemption obligations are discharged, cancelled, or have expired. When the redemption liabilities expire without exercise, the carrying amount of redemption liabilities are reclassified to equity.

At the end of each reporting period, redemption liabilities are presented under "Bank loans and other borrowings".

(r) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(x).

(s) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Defined benefit plan obligations

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements arising from defined benefit retirement plans, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of any asset ceiling (excluding interest), are recognised immediately in OCI. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(t) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(u) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(k)(ii)).

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 events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of electronic products that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sale of products

Generally, revenue from the sale of products is recognised when the customer takes possession of and accepts the products. Revenue arising from the sale of certain intelligent manufacturing systems, and a corresponding contract asset (see Note 2(m)), are recognised progressively over time during the process using the cost-to-cost method. Under the cost-to-cost method, revenue is recognised based on the proportion of the actual costs incurred relative to the estimated total costs to provide a faithful depiction of the transfer of those products.

(b) Product related technical services

Revenue from technical services is recognised at a point in time when the service is provided and accepted by the customer.

(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(b) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(c) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Government grants

Government grants are recognised in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are presented in the consolidated statements of financial position by setting up the grants as deferred income and consequently are effectively recognised as income in profit or loss on a systematic basis over the useful life of the asset.

(w) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI are recognised in OCI.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Notes 14, 27 and 32(e) contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of equity-settled share-based transactions and financial instruments. Other significant sources of estimation uncertainty are as follows:

(a) Impairment of non-financial assets

If circumstances indicate that the carrying value of an asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in profit or loss. The carrying amounts of assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount.

The recoverable amount is the greater of the fair value less costs to sell and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections.

(b) Net realisable value of inventories

Net realisable value of inventories 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. Special consideration is given to estimate the selling price of those technically obsolete and/or slow-moving inventory items.

Management reassesses these estimations at the end of reporting period to ensure inventory is shown at the lower of cost and net realisable value.

(c) Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are mainly engaged in the manufacturing of core automation components, motion control systems, industrial robots and intelligent manufacturing systems.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15					
Disaggregated by major products or service lines					
– Industrial robots and intelligent manufacturing systems	2,838,648	3,594,821	3,029,103	2,600,585	3,138,297
– Core automation components and motion control systems	1,025,480	1,040,015	976,276	767,066	662,495
Revenue from other sources					
– Rentals	16,651	17,113	3,393	2,623	2,778
	3,880,779	4,651,949	4,008,772	3,370,274	3,803,570

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Over time	563,078	823,131	690,255	477,668	426,095
Point in time	3,301,050	3,811,705	3,315,124	2,889,983	3,374,697
	3,864,128	4,634,836	4,005,379	3,367,651	3,800,792

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in Note 4(b).

The Group's customer base is diversified and includes nil, nil, nil, nil (unaudited) and two customers with whom transactions have exceeded 10% of the Group's revenues for the years ended 31 December 2022, 2023 and 2024 and for the nine months ended 30 September 2024 and 2025. During the nine months ended 30 September 2025, revenues from sales of products to each of these two customers, including sales to entities which are known to the Group to be under common control with these customers, amounted to approximately RMB684,963,000 and RMB510,377,000, respectively. Details of concentrations of credit risk arising from the customers are set out in Note 32(a).

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 to its sales contracts for goods such that information about revenue expected to be recognised in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of goods that had an expected duration of one year or less.

(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

(i) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, investment property, right-of-use assets, intangible assets, goodwill and interests in associates ("specified non-current assets"). The revenue is generated from Chinese Mainland and overseas markets, such as Europe, North America, and Asia during the Track Record Period, and the geographic location of revenue is based on the geographic location of customers. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, investment property and right-of-use assets, the location of the operations to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in associates.

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue by geographical region					
Chinese Mainland	2,568,537	3,057,584	2,639,208	2,230,952	2,685,844
Overseas	1,312,242	1,594,365	1,369,564	1,139,322	1,117,726
	3,880,779	4,651,949	4,008,772	3,370,274	3,803,570

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Specified non-current assets				
Chinese Mainland	1,522,827	1,973,947	1,948,199	1,940,927
Overseas	1,613,417	1,713,730	1,543,723	1,783,476
	3,136,244	3,687,677	3,491,922	3,724,403

5 OTHER NET INCOME

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest income from bank deposits	11,040	9,807	15,493	11,910	9,702
Government grants *(Note)*	39,737	41,078	38,850	31,008	17,761
Value-added tax super deduction and refund	21,296	40,601	47,628	34,015	27,049
Realised and unrealised gains on wealth management products	18,284	23,008	15,602	7,190	10,239
Realised and unrealised gains/(losses) on other financial assets measured at FVPL	52,828	30,718	(22,787)	–	12,878
Net (losses)/gains on disposal of property, plant and equipment	(171)	1,000	(501)	3,801	(788)
Net gains on disposal of interests in associates	–	–	15,948	14,781	976
Net losses on disposal of subsidiaries	(14,316)	(69)	–	–	(3,765)
Net foreign exchange gains/(losses)	9,205	(2,480)	7,971	2,935	(6,962)
Others	(921)	(4,513)	4,831	2,158	(3,882)
	136,982	139,150	123,035	107,798	63,208

Note: Government grants mainly represent operating subsidies and amortisation of government grants for capital expenditure including development and construction of property, plant and equipment.

6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest on bank loans and other borrowings	71,793	109,823	125,983	88,315	110,528
Interest on discounted bills	17,256	11,901	19,281	13,974	–
Interest on lease liabilities	2,229	2,062	1,866	1,620	3,714
Interest on defined benefit plans	2,712	6,752	7,063	–	5,245
	93,990	130,538	154,193	103,909	119,487

(b) Staff costs

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Contributions to defined contribution retirement plans *(Note)*	64,878	77,921	81,977	46,399	60,592
Expenses recognised in respect of defined benefit plans *(Note 26)*	7,173	9,205	9,440	–	6,794
Equity-settled share-based payment expenses	10,253	6,502	10,451	11,384	14,450
Salaries, wages and other benefits	749,070	898,567	966,544	746,824	696,023
	831,374	992,195	1,068,412	804,607	777,859

Note: Employees of the Group are required to participate in a defined contribution retirement plan administered and operated by the local municipal government. The Group contributes funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

(c) Other items

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Amortisation cost of intangible assets *(Note 13)*	37,999	43,686	63,961	46,519	46,781
Amortisation cost of long-term deferred expenses	14,320	16,407	17,727	4,115	7,572
Depreciation charge					
– property, plant and equipment *(Note 11)*	62,679	71,449	93,469	73,221	77,369
– right-of-use assets *(Note 12)*	18,619	19,458	23,897	15,787	19,571
– investment property	–	–	–	–	502
	81,298	90,907	117,366	89,008	97,442
Provision for/(reversal of) impairment loss on financial assets					
– trade receivables and contract assets	34,888	29,579	62,689	21,603	(4,813)
– other receivables	12,629	(2,702)	1,848	(1,002)	(275)
	47,517	26,877	64,537	20,601	(5,088)
Impairment loss on non-financial assets					
– intangible assets *(Note 13)*	–	–	15,603	–	–
– goodwill *(Note 14)*	–	–	344,864	–	–
	–	–	360,467	–	–
Listing expenses	–	–	–	–	1,128
Research and development expenses *(i)*	307,580	388,468	442,233	306,610	318,511
Cost of inventories *(ii)*	2,604,561	3,196,854	2,874,742	2,364,083	2,732,855

Notes:

(i) During the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2024 and 2025, research and development expenses include staff costs, depreciation and amortisation expenses of RMB267,876,000, RMB335,501,000, RMB396,985,000, RMB279,124,000 (unaudited) and RMB289,327,000, respectively, which amounts are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

(ii) During the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2024 and 2025, cost of inventories includes staff costs, depreciation and amortisation expenses, which amounts are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Current tax:					
Provision for the year/period	50,044	59,891	35,686	28,065	14,357
Deferred tax:					
Origination and reversal of temporary differences *(Note 28(b))*	30,005	(25,981)	6,475	(2,798)	15,773
	80,049	33,910	42,161	25,267	30,130

(b) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit/(loss) before taxation	263,608	167,537	(775,524)	(36,892)	59,830
National tax on profit/(loss) before taxation, calculated at the rates applicable to profits in the countries or jurisdictions concerned *(Note)*	50,762	40,965	(63,988)	(1,105)	13,459
Effect of adjustment to income tax of prior periods	1,882	(480)	11,268	1,162	(821)
Tax effect of non-taxable gain or loss	–	–	2,731	2,281	(7,107)
Tax effect of non-deductible expenses	7,202	2,611	3,309	2,862	3,691

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Tax effect of tax losses and temporary differences not recognised and effect of using deductible losses for which deferred tax assets were previously not recognised	5,325	27,370	135,301	43,992	55,766
Tax effect of super deduction for research and development costs	(28,058)	(40,284)	(46,058)	(22,685)	(33,892)
Tax effect of taxable income arising from business combination under common control	43,965	2,590	–	(1,240)	(966)
Others	(1,029)	1,138	(402)	–	–
Actual tax expense	80,049	33,910	42,161	25,267	30,130

Notes:

(i) According to the Corporate Income Tax Law of China, the Group's subsidiaries in Chinese Mainland are subject to statutory income tax rate of 25%, except for those which are entitled to a preferential tax rate applicable to advanced and new technology enterprises of 15%.

(ii) Pursuant to the rules and regulations of Germany, Cloos Holding GmbH and Carl Cloos Schweißtechnik GmbH ("Carl Cloos") are subject to the German Income Tax at a rate of 28.25% at an average during the Track Record Period (15.00% for corporate income tax, 0.825% for solidarity surcharge and 12.425% for trade income tax), while M.A.i GmbH & Co. KG ("M.A.i") is subject to the German Income Tax at a rate of 27.90% at an average during the Track Record Period (15.00% for corporate income tax, 0.825% for solidarity surcharge and 12.075% for trade income tax).

(iii) Taxation of other subsidiaries are charged at the prevailing rates of respectively in the relevant countries or jurisdictions and are calculated on a stand-alone basis.

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and Supervisors' emoluments as recorded in the financial statements are set out below:

	Year ended 31 December 2022						
	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payment (iii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Mr. Wu Bo	–	–	–	–	–	–	–
Mr. Wu Kan	–	927	144	42	1,113	–	1,113
Mr. Zhu Chunhua	–	773	144	42	959	120	1,079
Mr. Zhou Ailin	–	771	144	42	957	120	1,077

	Year ended 31 December 2022						
	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payment (iii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Ms. Yuan Qin (resigned on 29 April 2022)	–	246	131	14	391	–	391
Mr. He Lingjun (appointed on 7 July 2022)	–	1,162	–	42	1,204	179	1,383
Mr. Qian Wei	–	895	178	65	1,138	60	1,198
Independent non-executive directors							
Mr. Li Xiang	100	–	–	–	100	–	100
Mr. Feng Hutian	100	–	–	–	100	–	100
Dr. Tang Wencheng	100	–	–	–	100	–	100
Supervisors							
Ms. Wang Jiamin (resigned on 18 April 2022)	–	43	36	3	82	–	82
Mr. Sang Zhimin (appointed 18 April 2022)	–	151	13	17	181	–	181
Ms. Gu Xiaoxia	–	222	31	20	273	–	273
Ms. Cheng Xiujuan	–	150	12	16	178	–	178
	300	5,340	833	303	6,776	479	7,255

	Year ended 31 December 2023						
	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payment (iii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Mr. Wu Bo	–	–	–	–	–	–	–
Mr. Wu Kan	–	923	196	46	1,165	–	1,165
Mr. Zhu Chunhua	–	784	144	46	974	155	1,129
Mr. Zhou Ailin	–	783	144	46	973	155	1,128
Mr. He Lingjun	–	1,166	210	46	1,422	233	1,655
Mr. Qian Wei (resigned on 19 July 2023)	–	491	185	35	711	45	756
Ms. Chen Yinlan (appointed on 19 July 2023)	–	189	51	16	256	98	354
Independent non-executive directors							
Mr. Feng Hutian	100	–	–	–	100	–	100
Dr. Tang Wencheng	100	–	–	–	100	–	100

	Year ended 31 December 2023						
	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payment (iii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Mr. Li Xiang (resigned on 19 July 2023)	50	–	–	–	50	–	50
Mr. Chen Heng (appointed on 19 July 2023)	50	–	–	–	50	–	50
Supervisors							
Ms. Gu Xiaoxia	–	252	102	22	376	–	376
Ms. Cheng Xiujuan	–	174	13	18	205	–	205
Mr. Sang Zhimin	–	207	21	25	253	–	253
	300	4,969	1,066	300	6,635	686	7,321

	Year ended 31 December 2024						
	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payment (iii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Mr. Wu Bo	–	–	–	–	–	–	–
Mr. Wu Kan	–	922	228	47	1,197	–	1,197
Mr. Zhu Chunhua	–	768	124	47	939	155	1,094
Mr. Zhou Ailin	–	766	186	47	999	155	1,154
Mr. He Lingjun	–	1,163	293	47	1,503	233	1,736
Ms. Chen Yinlan	–	457	106	38	601	98	699
Independent non-executive directors							
Mr. Feng Hutian	100	–	–	–	100	–	100
Dr. Tang Wencheng	100	–	–	–	100	–	100
Mr. Chen Heng	100	–	–	–	100	–	100
Supervisors							
Ms. Gu Xiaoxia	–	267	101	28	396	–	396
Ms. Cheng Xiujuan	–	173	14	19	206	–	206
Mr. Sang Zhimin	–	194	31	25	250	–	250
	300	4,710	1,083	298	6,391	641	7,032

	Nine months ended 30 September 2024						
	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payment (iii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(unaudited)							
Executive directors							
Mr. Wu Bo	–	–	–	–	–	–	–
Mr. Wu Kan	–	691	171	35	897	–	897
Mr. Zhu Chunhua	–	575	93	35	703	117	820
Mr. Zhou Ailin	–	574	140	35	749	117	866
Mr. He Lingjun	–	872	219	35	1,126	175	1,301
Ms. Chen Yinlan	–	342	79	29	450	73	523
Independent non-executive directors							
Mr. Feng Hutian	75	–	–	–	75	–	75
Mr. Tang Wencheng	75	–	–	–	75	–	75
Mr. Chen Heng	75	–	–	–	75	–	75
Supervisors							
Ms. Gu Xiaoxia	–	200	75	21	296	–	296
Ms. Cheng Xiujuan	–	130	11	14	155	–	155
Mr. Sang Zhimin	–	145	23	19	187	–	187
	225	3,529	811	223	4,788	482	5,270

	Nine months ended 30 September 2025						
	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payment (iii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Mr. Wu Bo	–	–	–	–	–	–	–
Mr. Wu Kan	–	691	–	35	726	–	726
Mr. Zhu Chunhua	–	639	–	35	674	186	860
Mr. Zhou Ailin	–	574	–	35	609	186	795
Mr. He Lingjun	–	873	–	35	908	245	1,153
Non-executive directors							
Ms. Chen Yinlan *(i)*	–	351	–	29	380	143	523
Independent non-executive directors							
Mr. Feng Hutian (resigned on 20 June 2025)	50	–	–	–	50	–	50
Mr. Tang Wencheng	88	–	–	–	88	–	88
Mr. Chen Heng (resigned on 20 June 2025)	50	–	–	–	50	–	50

	Nine months ended 30 September 2025						
	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payment (iii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Ms. Han Xiaofang (appointed on 20 June 2025)	38	–	–	–	38	–	38
Mr. Lin Jinjun (appointed on 20 June 2025)	38	–	–	–	38	–	38
Supervisors							
Ms. Gu Xiaoxia *(ii)*	–	128	31	14	173	–	173
Ms. Cheng Xiujuan *(ii)*	–	85	2	10	97	–	97
Mr. Sang Zhimin *(ii)*	–	93	8	13	114	–	114
	264	3,434	41	206	3,945	760	4,705

Notes:

(i) Ms. Chen Yinlan was appointed as an executive director on 19 July 2023 and became a non-executive director of the Company on 20 June 2025.

(ii) The board of directors of the Company set up the audit committee on 20 June 2025 to exercise the duties of supervisors under the Company Law of the PRC. Accordingly, Ms. Gu Xiaoxia, Ms. Cheng Xiujuan and Mr. Sang Zhimin resigned as supervisors of the Company on 20 June 2025.

(iii) These represent the estimated value of share-based payment granted to the directors under the Company's share-based payment scheme as set out in Note 27. The value of these share-based payment is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 2(s)(iii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of these benefits in kind, including the principal terms and number of share-based payment granted, are disclosed in Note 27.

During the Track Record Period, no director or chief executive has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors and the chief executive as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, nil, nil, 1, 1 (unaudited), nil are directors during the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2024 and 2025, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries and other emoluments	9,798	11,436	8,745	6,687	8,112
Share-based payments	360	233	233	175	566
Retirement scheme contributions	226	311	259	198	245
	10,384	11,980	9,237	7,060	8,923

The emoluments of the 5, 5, 4, 4 (unaudited) and 5 individuals with the highest emoluments are within the following bands:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals (unaudited)*	*Number of individuals*
Hong Kong Dollar ("HKD")					
Nil – HKD1,000,000	–	–	–	–	–
HKD1,000,001 – HKD1,500,000	–	–	–	–	2
HKD1,500,001 – HKD2,000,000	2	1	–	2	1
HKD2,000,001 – HKD2,500,000	2	2	2	2	2
HKD2,500,001 – HKD3,000,000	–	–	2	–	–
HKD3,000,001 – HKD3,500,000	–	1	–	–	–
HKD3,500,001 – HKD4,000,000	–	1	–	–	–
HKD4,000,001 – HKD4,500,000	1	–	–	–	–

10 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the equity shareholders of the Company by the weighted average number of ordinary shares in issue for the Track Record Period as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Profit/(loss) for the year/period attributable to equity shareholders of the Company	166,780	135,672	(810,929)	(67,119)	25,372
Effect of the restricted share units	(63)	–	–	–	–
	166,717	135,672	(810,929)	(67,119)	25,372

Weighted average number of ordinary shares:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	'000	*'000*	*'000*	*'000 (unaudited)*	*'000*
Issued ordinary shares at the beginning of the year/period	868,638	869,115	869,531	869,531	869,531

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	'000	*'000*	*'000*	*'000* *(unaudited)*	*'000*
Effect of treasury shares at the beginning of the year/period *(Note 31(d))*.	(12,360)	(4,622)	(2,513)	(2,513)	(2,513)
Effect of shares repurchased during the year/period	(860)	–	–	–	–
Effect of shares issued under share reward scheme *(Note 27)*	3,615	1,155	–	–	–
Effect of shares issued under share option scheme *(Note 27)*	429	321	–	–	–
Weighted average number of ordinary shares at the end of the year/period . .	859,462	865,969	867,018	867,018	867,018

(b) Diluted loss per share

For the years ended 31 December 2024 and the nine months ended 30 September 2024 and 2025, the restricted shares and share options (Note 27) were not included in the calculation of diluted loss per share because their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore the amount of diluted loss per share is the same as basic loss per share.

For the years ended 31 December 2022 and 2023, the diluted earnings per share is calculated by dividing the above profit attributable to the equity shareholders of the Company by the weighted average number of ordinary shares after adjusting the effect of dilutive potential ordinary shares in respect of the Company's equity-settled share-based payment schemes for the Track Record Period as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	'000	*'000*	*'000*	*'000* *(unaudited)*	*'000*
Weighted average number of ordinary shares at the end of the year/period . .	859,462	865,969	867,018	867,018	867,018
Effect of deemed issue of shares under the Company's share reward schemes *(Note 27)*	2,984	823	–	–	–
Effect of deemed issue of shares under the Company's share option scheme *(Note 27)*	758	167	–	–	–
Weighted average number of ordinary shares at the end of the year/period (diluted)	863,204	866,959	867,018	867,018	867,018

11 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

The Group

	Freehold land	Plant and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Construction in progress	Sub-total	Investment property	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:									
At 1 January 2022	37,059	664,920	363,541	19,238	155,137	46,806	1,286,701	–	1,286,701
Additions	–	4,585	51,951	1,092	15,558	121,262	194,448	–	194,448
Transferred from construction in progress	–	37,630	21,220	–	945	(59,795)	–	–	–
Transferred to intangible assets	–	–	–	–	–	(3,512)	(3,512)	–	(3,512)
Disposals	(1,830)	(16)	(11,594)	(1,135)	(3,234)	(1,113)	(18,922)	–	(18,922)
Disposal of subsidiaries	–	(14,461)	(18,481)	–	(10,492)	–	(43,434)	–	(43,434)
Exchange adjustments	679	6,026	2,829	299	2,832	214	12,879	–	12,879
At 31 December 2022 and 1 January 2023	35,908	698,684	409,466	19,494	160,746	103,862	1,428,160	–	1,428,160
Additions	–	46,744	51,270	1,536	19,277	349,205	468,032	–	468,032
Transferred from construction in progress	–	234,653	36,776	–	5,153	(276,582)	–	–	–
Disposals	–	(1,471)	(1,144)	(1,543)	(10,071)	(1,234)	(15,463)	–	(15,463)
Exchange adjustments	1,570	11,560	4,389	655	7,467	1,783	27,424	–	27,424
At 31 December 2023 and 1 January 2024	37,478	990,170	500,757	20,142	182,572	177,034	1,908,153	–	1,908,153
Additions	–	58,563	63,224	1,284	22,107	169,691	314,869	–	314,869
Transferred from construction in progress	–	271,249	24,232	–	794	(296,275)	–	–	–
Transferred to intangible assets	–	–	–	–	–	(5,317)	(5,317)	–	(5,317)
Acquisition of a subsidiary	–	–	62	296	60	–	418	–	418
Disposals	–	(15,045)	(12,050)	(1,002)	(12,149)	(1,234)	(41,480)	–	(41,480)
Exchange adjustments	(1,120)	(11,381)	(4,137)	(483)	(5,646)	(1,718)	(24,485)	–	(24,485)
At 31 December 2024 and 1 January 2025	36,358	1,293,556	572,088	20,237	187,738	42,181	2,152,158	–	2,152,158
Additions	–	15,888	19,441	1,308	8,946	139,959	185,542	–	185,542
Transferred from construction in progress	–	11,012	6,904	–	602	(18,518)	–	–	–
Disposals	–	(96)	(8,568)	(1,852)	(2,227)	–	(12,743)	–	(12,743)
Disposal of subsidiaries	–	(37,964)	(4,469)	(794)	(6,412)	(166)	(49,805)	–	(49,805)
Transferred to investment property	–	(53,640)	–	–	–	–	(53,640)	53,640	–
Exchange adjustments	2,803	22,366	6,933	(435)	14,379	1,329	47,375	–	47,375
At 30 September 2025	39,161	1,251,122	592,329	18,464	203,026	164,785	2,268,887	53,640	2,322,527

	Freehold land	Plant and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Construction in progress	Sub-total	Investment property	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:									
At 1 January 2022	–	(172,806)	(187,000)	(16,154)	(113,319)	–	(489,279)	–	(489,279)
Charge for the year	–	(16,023)	(32,096)	(617)	(13,943)	–	(62,679)	–	(62,679)
Written back on disposals	–	16	7,019	727	2,513	–	10,275	–	10,275
Disposal of subsidiaries	–	11,511	16,536	–	8,336	–	36,383	–	36,383
Exchange adjustments	–	(2,907)	(1,336)	(254)	(2,196)	–	(6,693)	–	(6,693)
At 31 December 2022 and 1 January 2023	–	(180,209)	(196,877)	(16,298)	(118,609)	–	(511,993)	–	(511,993)
Charge for the year	–	(19,855)	(34,303)	(790)	(16,501)	–	(71,449)	–	(71,449)
Written back on disposals	–	1,365	970	1,382	9,662	–	13,379	–	13,379
Exchange adjustments	–	(5,608)	(4,035)	(565)	(6,036)	–	(16,244)	–	(16,244)
At 31 December 2023 and 1 January 2024	–	(204,307)	(234,245)	(16,271)	(131,484)	–	(586,307)	–	(586,307)
Charge for the year	–	(28,546)	(45,262)	(925)	(18,736)	–	(93,469)	–	(93,469)
Written back on disposals	–	7,348	7,318	1,005	10,793	–	26,464	–	26,464
Acquisition of a subsidiary	–	–	(58)	(196)	(48)	–	(302)	–	(302)
Exchange adjustments	–	4,768	3,289	415	6,261	–	14,733	–	14,733
At 31 December 2024 and 1 January 2025	–	(220,737)	(268,958)	(15,972)	(133,214)	–	(638,881)	–	(638,881)
Charge for the period	–	(25,110)	(38,968)	(2,393)	(10,898)	–	(77,369)	(502)	(77,871)
Written back on disposals	–	–	6,325	1,423	1,703	–	9,451	–	9,451
Disposal of subsidiaries	–	11,369	3,806	550	4,394	–	20,119	–	20,119
Transferred to investment property	–	312	–	–	–	–	312	(312)	–
Exchange adjustments	–	(10,108)	(6,682)	(227)	(10,786)	–	(27,803)	–	(27,803)
At 30 September 2025	–	(244,274)	(304,477)	(16,619)	(148,801)	–	(714,171)	(814)	(714,985)
Net book value:									
At 31 December 2022	35,908	518,475	212,589	3,196	42,137	103,862	916,167	–	916,167
At 31 December 2023	37,478	785,863	266,512	3,871	51,088	177,034	1,321,846	–	1,321,846
At 31 December 2024	36,358	1,072,819	303,130	4,265	54,524	42,181	1,513,277	–	1,513,277
At 30 September 2025	39,161	1,006,848	287,852	1,845	54,225	164,785	1,554,716	52,826	1,607,542

The Company

	Plant and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At 1 January 2022	274,046	205,540	1,763	15,720	21,452	518,521
Additions	3,086	27,300	699	3,663	71,067	105,815
Transferred from construction in progress	37,121	3,379	–	945	(41,445)	–
Transferred to intangible assets	–	–	–	–	(3,302)	(3,302)
Disposals	–	(2,617)	–	(131)	(907)	(3,655)
At 31 December 2022 and 1 January 2023	314,253	233,602	2,462	20,197	46,865	617,379
Additions	23,885	49,549	659	1,763	193,166	269,022
Transferred from construction in progress	195,405	28,848	–	–	(224,253)	–
Disposals	–	(282)	(18)	–	(8)	(308)
At 31 December 2023 and 1 January 2024	533,543	311,717	3,103	21,960	15,770	886,093
Additions	9,109	42,753	–	1,646	11,270	64,778
Transferred from construction in progress	3,579	20,821	–	75	(24,475)	–
Transferred to intangible assets	–	–	–	–	(947)	(947)
Disposals	–	(2,577)	–	(3,442)	(87)	(6,106)
At 31 December 2024 and 1 January 2025	546,231	372,714	3,103	20,239	1,531	943,818
Additions	7,258	8,830	–	542	8,768	25,398
Transferred from construction in progress	1,094	891	–	–	(1,985)	–
Disposals	–	(138,753)	(493)	(237)	–	(139,483)
At 30 September 2025	554,583	243,682	2,610	20,544	8,314	829,733
Accumulated depreciation:						
At 1 January 2022	(18,374)	(69,940)	(1,458)	(10,562)	–	(100,334)
Charge for the year	(4,832)	(22,117)	(98)	(2,171)	–	(29,218)
Written back on disposals	–	910	–	119	–	1,029
At 31 December 2022 and 1 January 2023	(23,206)	(91,147)	(1,556)	(12,614)	–	(128,523)
Charge for the year	(8,357)	(23,098)	(255)	(2,428)	–	(34,138)
Written back on disposals	–	234	16	–	–	250
At 31 December 2023 and 1 January 2024	(31,563)	(114,011)	(1,795)	(15,042)	–	(162,411)
Charge for the year	(13,403)	(31,327)	(304)	(2,510)	–	(47,544)
Written back on disposals	–	1,637	–	3,095	–	4,732
At 31 December 2024 and 1 January 2025	(44,966)	(143,701)	(2,099)	(14,457)	–	(205,223)
Charge for the period	(10,230)	(19,589)	(228)	(1,467)	–	(31,514)
Written back on disposals	–	57,154	444	207	–	57,805
At 30 September 2025	(55,196)	(106,136)	(1,883)	(15,717)	–	(178,932)
Net book value:						
At 31 December 2022	291,047	142,455	906	7,583	46,865	488,856
At 31 December 2023	501,980	197,706	1,308	6,918	15,770	723,682
At 31 December 2024	501,265	229,013	1,004	5,782	1,531	738,595
At 30 September 2025	499,387	137,546	727	4,827	8,314	650,801

Note: The Group was in the process of applying for the ownership certificates for certain buildings with an aggregate carrying value of RMB267,527,000, RMB216,574,000 and RMB284,147,000 and RMB237,777,000 respectively as at 31 December 2022, 2023 and 2024 and 30 September 2025. The directors of the Company are of the opinion that the Group is entitled to legally and validly occupy and use of these buildings.

12 RIGHT-OF-USE ASSETS

The Group

	Leasehold land	Plant and buildings	Machinery and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At 1 January 2022	175,672	67,177	28,511	271,360
Additions	18,086	–	5,977	24,063
Disposals	–	(1,570)	–	(1,570)
Exchange adjustments	–	2,076	568	2,644
At 31 December 2022 and 1 January 2023	193,758	67,683	35,056	296,497
Additions	31,338	4,013	1,771	37,122
Disposals	–	(8,889)	(1,945)	(10,834)
Exchange adjustments	–	4,437	1,491	5,928
At 31 December 2023 and 1 January 2024	225,096	67,244	36,373	328,713
Additions	–	39,995	11,476	51,471
Acquisition of a subsidiary	–	953	–	953
Exchange adjustments	–	(3,694)	(1,523)	(5,217)
At 31 December 2024 and 1 January 2025	225,096	104,498	46,326	375,920
Additions	27	10,600	3,604	14,231
Disposals	–	(24,743)	(3,176)	(27,919)
Disposal of subsidiaries	(10,775)	–	–	(10,775)
Exchange adjustments	–	10,007	4,720	14,727
At 30 September 2025	214,348	100,362	51,474	366,184
Accumulated depreciation:				
At 1 January 2022	(28,916)	(10,603)	(11,713)	(51,232)
Charge for the year	(3,675)	(8,490)	(6,454)	(18,619)
Written back on disposals	–	494	–	494
Exchange adjustments	–	(586)	213	(373)
At 31 December 2022 and 1 January 2023	(32,591)	(19,185)	(17,954)	(69,730)
Charge for the year	(4,855)	(9,192)	(5,411)	(19,458)
Written back on disposals	–	3,657	697	4,354
Exchange adjustments	–	(661)	(1,750)	(2,411)
At 31 December 2023 and 1 January 2024	(37,446)	(25,381)	(24,418)	(87,245)
Charge for the year	(4,912)	(11,485)	(7,500)	(23,897)
Exchange adjustments	–	1,548	1,430	2,978
At 31 December 2024 and 1 January 2025	(42,358)	(35,318)	(30,488)	(108,164)
Charge for the period	(3,606)	(9,737)	(6,228)	(19,571)
Written back on disposals	–	11,108	1,277	12,385
Disposal of subsidiaries	3,006	–	–	3,006
Exchange adjustments	–	(3,180)	(2,754)	(5,934)
At 30 September 2025	(42,958)	(37,127)	(38,193)	(118,278)
Net book value:				
At 31 December 2022	161,167	48,498	17,102	226,767
At 31 December 2023	187,650	41,863	11,955	241,468
At 31 December 2024	182,738	69,180	15,838	267,756
At 30 September 2025	171,390	63,235	13,281	247,906

The Company

	Leasehold land	Plant and buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At 1 January 2022, 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025	87,537	51,988	139,525
Accumulated depreciation:			
At 1 January 2022	(11,695)	(10,398)	(22,093)
Charge for the year	(1,750)	(10,398)	(12,148)
At 31 December 2022 and 1 January 2023	(13,445)	(20,796)	(34,241)
Charge for the year	(1,750)	(10,398)	(12,148)
At 31 December 2023 and 1 January 2024	(15,195)	(31,194)	(46,389)
Charge for the year	(1,751)	(10,398)	(12,149)
At 31 December 2024 and 1 January 2025	(16,946)	(41,592)	(58,538)
Charge for the period	(1,313)	(7,798)	(9,111)
At 30 September 2025	(18,259)	(49,390)	(67,649)
Net book value:			
At 31 December 2022	74,092	31,192	105,284
At 31 December 2023	72,342	20,794	93,136
At 31 December 2024	70,591	10,396	80,987
At 30 September 2025	69,278	2,598	71,876

The analysis of expense items in relation to leases recognised in profit or loss of the Group is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:					
Leasehold land	3,675	4,855	4,912	3,684	3,606
Plant and buildings	8,490	9,192	11,485	7,717	9,737
Machinery and equipment	6,454	5,411	7,500	4,386	6,228
	18,619	19,458	23,897	15,787	19,571
Interest on lease liabilities	2,229	2,062	1,866	1,620	3,714
Expense relating to short-term leases	4,531	26,296	15,966	7,510	6,764

Details of total cash outflows for leases and the maturity analysis of lease liabilities are set out in Notes 22(d) and 25, respectively.

13 INTANGIBLE ASSETS

The Group

	Software	Non-patented technologies	Concessions	Patented technologies	Trademarks	Development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:							
At 1 January 2022	72,563	263,745	4,246	29,630	63,728	65,614	499,526
Additions	19,757	–	451	330	–	94,044	114,582
Addition through internal development	–	51,824	–	–	–	(51,824)	–
Disposals	(1,040)	–	(468)	–	–	–	(1,508)
Exchange adjustments	(3,786)	(563)	119	–	–	–	(4,230)
At 31 December 2022 and 1 January 2023	87,494	315,006	4,348	29,960	63,728	107,834	608,370
Additions	24,281	–	–	–	–	115,649	139,930
Addition through internal development	–	164,509	–	–	–	(164,509)	–
Disposals	(315)	–	–	–	–	–	(315)
Exchange adjustments	1,336	2,526	256	–	–	–	4,118
At 31 December 2023 and 1 January 2024	112,796	482,041	4,604	29,960	63,728	58,974	752,103
Additions	24,261	–	115	–	–	60,684	85,060
Addition through internal development	–	70,934	–	–	–	(70,934)	–
Transferred from construction in progress	5,317	–	–	–	–	–	5,317
Disposals	(1,217)	–	–	–	–	–	(1,217)
Exchange adjustments	(2,614)	(3,217)	(198)	–	–	–	(6,029)
At 31 December 2024 and 1 January 2025	138,543	549,758	4,521	29,960	63,728	48,724	835,234
Additions	4,974	282	626	–	–	35,703	41,585
Addition through internal development	–	1,933	–	–	–	(1,933)	–
Disposals	(48)	–	–	–	–	–	(48)
Disposal of subsidiaries	(1,354)	(1,825)	–	(9,638)	–	–	(12,817)
Exchange adjustments	8,547	3,413	486	–	–	892	13,338
At 30 September 2025	150,662	553,561	5,633	20,322	63,728	83,386	877,292
Accumulated amortisation and impairment:							
At 1 January 2022	(51,670)	(55,760)	(3,627)	(7,670)	–	–	(118,727)
Charge for the year	(15,423)	(19,145)	(465)	(2,966)	–	–	(37,999)
Written back on disposals	830	–	102	–	–	–	932
Exchange adjustments	2,649	(54)	(107)	–	–	–	2,488
At 31 December 2022 and 1 January 2023	(63,614)	(74,959)	(4,097)	(10,636)	–	–	(153,306)
Charge for the year	(7,373)	(33,336)	(74)	(2,903)	–	–	(43,686)
Written back on disposals	297	–	–	–	–	–	297
Exchange adjustments	(1,621)	(186)	(243)	–	–	–	(2,050)
At 31 December 2023 and 1 January 2024	(72,311)	(108,481)	(4,414)	(13,539)	–	–	(198,745)
Charge for the year	(11,566)	(49,135)	(203)	(3,057)	–	–	(63,961)
Impairment loss	–	(15,603)	–	–	–	–	(15,603)
Written back on disposals	1,217	–	–	–	–	–	1,217
Exchange adjustments	1,420	748	192	–	–	–	2,360

	Software	Non-patented technologies	Concessions	Patented technologies	Trademarks	Development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 and 1 January 2025	(81,240)	(172,471)	(4,425)	(16,596)	–	–	(274,732)
Charge for the period	(5,391)	(39,199)	(154)	(2,037)	–	–	(46,781)
Written back on disposals	48	–	–	–	–	–	48
Disposal of subsidiaries	587	1,034	–	7,309	–	–	8,930
Exchange adjustments	(2,512)	(1,260)	(476)	–	–	–	(4,248)
At 30 September 2025	(88,508)	(211,896)	(5,055)	(11,324)	–	–	(316,783)
Net book value:							
At 31 December 2022	23,880	240,047	251	19,324	63,728	107,834	455,064
At 31 December 2023	40,485	373,560	190	16,421	63,728	58,974	553,358
At 31 December 2024	57,303	377,287	96	13,364	63,728	48,724	560,502
At 30 September 2025	62,154	341,665	578	8,998	63,728	83,386	560,509

The Company

	Software	Non-patented technologies	Development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost:				
At 1 January 2022	22,719	85,138	45,744	153,601
Additions	17,229	–	57,940	75,169
Addition through internal development	–	29,201	(29,201)	–
At 31 December 2022 and 1 January 2023	39,948	114,339	74,483	228,770
Additions	1,171	–	60,398	61,569
Addition through internal development	–	113,789	(113,789)	–
At 31 December 2023 and 1 January 2024	41,119	228,128	21,092	290,339
Additions	12,121	–	33,692	45,813
Addition through internal development	–	34,351	(34,351)	–
At 31 December 2024 and 1 January 2025	53,240	262,479	20,433	336,152
Additions	2,038	–	18,542	20,580
At 30 September 2025	55,278	262,479	38,975	356,732
Accumulated amortisation and impairment:				
At 1 January 2022	(18,008)	(5,891)	–	(23,899)
Charge for the year	(12,175)	(1,561)	–	(13,736)
At 31 December 2022 and 1 January 2023	(30,183)	(7,452)	–	(37,635)
Charge for the year	(4,036)	(13,986)	–	(18,022)
At 31 December 2023 and 1 January 2024	(34,219)	(21,438)	–	(55,657)
Charge for the year	(4,504)	(24,657)	–	(29,161)
Impairment loss	–	(6,241)	–	(6,241)
At 31 December 2024 and 1 January 2025	(38,723)	(52,336)	–	(91,059)
Charge for the period	(4,182)	(19,225)	–	(23,407)
At 30 September 2025	(42,905)	(71,561)	–	(114,466)
Net book value:				
At 31 December 2022	9,765	106,887	74,483	191,135
At 31 December 2023	6,900	206,690	21,092	234,682
At 31 December 2024	14,517	210,143	20,433	245,093
At 30 September 2025	12,373	190,918	38,975	242,266

Impairment tests for non-patented technologies

Impairment losses of RMB15,603,000, in respect of certain non-patented technologies which were iterated and that could not generate future economic benefits, were provided against for impairment for the year ended 31 December 2024. These non-patented technologies were fully impaired.

Impairment tests for development costs

As at 31 December 2022, 2023 and 2024, development costs related to certain Carl Cloos robotic R&D projects of RMB28,048,000, RMB24,505,000 and RMB22,072,000 respectively, form part of the CGU of Carl Cloos. The impairment tests for such development costs are disclosed in Note 14.

As at 31 December 2022, 2023 and 2024, the remaining development costs of RMB79,786,000, RMB34,469,000 and RMB26,652,000 respectively, are related to other certain robotic R&D projects, and the impairment tests of which are disclosed below.

The recoverable amounts of those development costs not related to CGU of Carl Cloos are determined based on excess earnings method. The key assumption used in the impairment tests is pre-tax discount rate. As at 31 December 2022, 2023 and 2024, the pre-tax discount rate is 26.18%, 26.12% and 26.02%, and the recoverable amount of development costs is estimated to exceed its carrying amount by approximately RMB16,562,000, RMB9,958,000, and RMB13,421,000, respectively.

If the pre-tax discount rate increased by 6.01%, 5.52% and 9.69%, respectively, as at 31 December 2022, 2023 and 2024, the estimated recoverable amount will be equal to the carrying amount. Based on the sensitivity analysis above, the Group concluded that a reasonably possible change in key parameters would not cause the carrying amount of development costs to exceed its recoverable amount as at 31 December 2022, 2023 and 2024.

Impairment tests for trademarks with indefinite useful lives

As at 31 December 2022, 2023 and 2024, trademarks with indefinite useful lives are related to Carl Cloos and accordingly form part of the CGU of Carl Cloos. The impairment tests for such trademarks are disclosed in Note 14.

The Group did not perform quantitative impairment test for above intangible assets not yet available for use or with indefinite useful lives as at 30 September 2025, since the Group's accounting policy is to perform impairment test annually at 31 December, or more frequently if events or changes in circumstances indicate that they might be impaired in accordance with IAS 36, *Impairment of assets*. The Group did not identify any indication that the intangible assets not yet available for use or with indefinite useful live would be impaired as at 30 September 2025.

14 GOODWILL

	As at 31 December			As at 30 September
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost	1,485,681	1,485,681	1,448,943	1,347,086
Accumulated impairment losses	–	–	(344,864)	(302,498)
	1,485,681	1,485,681	1,104,079	1,044,588

Goodwill was mainly arisen from the Group's following acquisitions:

On 20 July 2016, the Company acquired Shanghai Prex Mfg. Co., Ltd. (上海普萊克斯自動設備製造有限公司) ("Prex").

On 8 August 2016, the Company acquired Nanjing Estun Intelligent System Engineering Co., Ltd. (南京埃斯頓智能系統工程有限公司) ("Estun Intelligent").

On 23 March 2017, the Company acquired Trio Motion Ltd ("Trio Motion").

On 17 October 2017, the Company acquired M.A.i.

On 12 December 2017, the Company acquired Yangzhou Shuguang Optoelectronics Automation Co., Ltd. (揚州曙光光電自控有限責任公司) ("Yangzhou Shuguang").

On 31 October 2019, the Company's controlling shareholder Nanjing Primest Technology Co., Ltd. (南京派雷斯特科技有限公司) ("Nanjing Primest") acquired Carl Cloos. On 27 April 2020, the Company acquired Carl Cloos from the controlling shareholder under common control.

On 1 July 2024, the Company acquired Chongqing Estun Intelligent Equipment Technology Co., Ltd. (重慶埃斯頓智能裝備科技有限公司, previously named 重慶締卓智能裝備科技有限公司).

Goodwill was recognised as the positive balance between the Company's share of the fair value of the identifiable net assets and the acquisition cost.

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's CGUs identified by unit as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carl Cloos	1,015,207	1,015,207	767,461	857,182
Yangzhou Shuguang *(Notes 15&16)*	215,289	215,289	157,625	–
Trio Motion	95,048	95,048	66,381	73,790
M.A.i	63,909	63,909	63,909	64,913
Estun Intelligent	41,324	41,324	41,324	41,324
Prex	54,904	54,904	–	–
Unit without significant goodwill	–	–	7,379	7,379
	1,485,681	1,485,681	1,104,079	1,044,588

Impairment tests

The recoverable amounts of the respective CGUs are determined based on value-in-use ("VIU") calculation. The Group engaged independent professional valuers to assist with the calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated terminal growth rate of 0%. The discount rates used are pre-tax and reflect specific risks relating to the relevant industry, the CGUs themselves and macro-environment. The key assumptions used in estimating the recoverable amount are as follows:

	As at 31 December		
	2022	2023	2024
Annual revenue growth rate during the forecast period			
Carl Cloos	6.50%-8.00%	5.00%-6.00%	4.95% -27.14%
Yangzhou Shuguang	5.00%-16.01%	4.13%-12.85%	3.19%-41.35%
Trio Motion	2.26%-10.11%	2.00%-8.33%	3.00% -9.79%
M.A.i	1.15%-4.46%	1.00%-4.43%	3.00%
Estun Intelligent	1.00%-5.00%	3.00%	2.00%
Prex	3.00%-8.00%	4.00%-14.94%	9.10%-32.48%
Pre-tax discount rate			
Carl Cloos	13.70%	11.40%	11.25%
Yangzhou Shuguang	14.06%	12.41%	12.69%
Trio Motion	16.89%	15.25%	16.94%
M.A.i	13.86%	12.79%	12.82%
Estun Intelligent	11.80%	10.39%	13.08%
Prex	11.50%	11.14%	13.22%

At 31 December 2022 and 2023, the recoverable amount of Carl Cloos is estimated to exceed its carrying amount by approximately RMB374,078,000 and RMB154,221,000, respectively. At 31 December 2024, the recoverable amount of Carl Cloos was RMB203,628,000 lower than its carrying amount. Accordingly, an impairment loss fully allocated to CGU of RMB203,628,000 has been recognised in profit or loss for the year ended 31 December 2024.

At 31 December 2022 and 2023, the recoverable amount of Yangzhou Shuguang is estimated to exceed its carrying amount by approximately RMB1,313,000 and RMB6,826,000, respectively. At 31 December 2024, the recoverable amount of Yangzhou Shuguang was RMB84,801,000 lower than its carrying amount. Accordingly, an impairment loss fully allocated to CGU attributable to the Company of RMB57,664,000 has been recognised in profit or loss for the year ended 31 December 2024.

At 31 December 2022 and 2023, the recoverable amount of Trio Motion is estimated to exceed its carrying amount by approximately RMB1,946,000 and RMB2,438,000, respectively. At 31 December 2024, the recoverable amount of Trio Motion was RMB28,667,000 lower than its carrying amount. Accordingly, an impairment loss fully allocated to CGU of RMB28,667,000 has been recognised in profit or loss for the year ended 31 December 2024.

At 31 December 2022, 2023 and 2024, the recoverable amount of M.A.i is estimated to exceed its carrying amount by approximately RMB3,449,000, RMB5,899,000, RMB3,933,000, respectively.

At 31 December 2022, 2023 and 2024, the recoverable amount of Estun Intelligent is estimated to exceed its carrying amount by approximately RMB5,254,000, RMB8,247,000, RMB10,002,000, respectively.

At 31 December 2022 and 2023, the recoverable amount of Prex is estimated to exceed its carrying amount by approximately RMB1,217,000 and RMB4,154,000, respectively. At 31 December 2024, the recoverable amount of Prex is RMB54,905,000 lower than its carrying amount. Accordingly, an impairment loss fully allocated to CGU of RMB54,905,000 has been recognised in profit or loss for the year ended 31 December 2024.

Management has identified that a reasonably possible change in key assumptions could not cause the carrying amount to exceed the recoverable amount for CGUs with significant goodwill. The following table shows the amount that these three assumptions would need to be individually for the estimated recoverable amount to be equal to the carrying amount:

Change required for carrying amount to equal recoverable amount (in percentage point).

	As at 31 December		
	2022	2023	2024
Decrease percentage in annual revenue growth rate during forecast period			
Carl Cloos	10.04%	1.90%	Nil
Yangzhou Shuguang	0.27%	1.54%	Nil
Trio Motion	1.17%	1.49%	Nil
M.A.i	1.31%	1.44%	1.00%
Estun Intelligent	2.08%	0.30%	8.00%
Prex	0.48%	1.00%	Nil
Increase in pre-tax discount rate			
Carl Cloos	2.89%	0.47%	Nil
Yangzhou Shuguang	0.01%	0.18%	Nil
Trio Motion	0.20%	0.22%	Nil
M.A.i	0.23%	0.30%	0.19%
Estun Intelligent	0.29%	0.90%	1.46%
Prex	0.14%	0.33%	Nil

The recoverable amount of M.A.i and Estun Intelligent based on the value-in-use calculations was higher than the carrying amount as at 31 December 2022, 2023 and 2024. Accordingly, no impairment loss for goodwill was recognised in the consolidated statements of profit or loss and other comprehensive income. Also, based on the sensitivity analysis above, the Group concluded that a reasonably possible change in key parameters would not cause the carrying amount of M.A.i and Estun Intelligent to exceed its recoverable amount as at 31 December 2022, 2023 and 2024.

The recoverable amount of Carl Cloos, Yangzhou Shuguang, Trio Motion and Prex based on the value-in-use calculations was higher than the carrying amount as at 31 December 2022 and 2023. At 31 December 2024, the recoverable amount of above CGUs was lower than its carrying amount and impairment loss for goodwill was recognised in the consolidated statements of profit or loss and other comprehensive income. Based on the sensitivity analysis above, the Group concluded that a reasonably possible change in key parameters would not cause the carrying amount of above CGUs to exceed its recoverable amount as at 31 December 2024.

The Group did not perform quantitative impairment test for above goodwill as at 30 September 2025, since the Group's accounting policy is to perform impairment test annually at 31 December, or more frequently if events or changes in circumstances indicate that they might be impaired in accordance with IAS 36, *Impairment of assets*. The Group did not identify any indication that the goodwill would be impaired as at 30 September 2025.

15 INTERESTS IN ASSOCIATES

Aggregate information of associates that are individually material:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates				
– immaterial associates	52,565	85,324	46,308	30,511
– material associates	–	–	–	233,347
	52,565	85,324	46,308	263,858

All the associates are accounted for using the equity method in the consolidated financial statements.

On 23 June 2025, the Group entered into a share transfer agreement with Shuguang Lanfengqi (Nanjing) Technology Limited Partnership (曙光藍風啟(南京)科技合夥企業(有限合夥)) ("Shuguang Lanfengqi"), pursuant to which the Group agreed to transfer its 20% equity interest in Yangzhou Shuguang to Shuguang Lanfengqi at a total cash consideration of RMB94 million. Upon completion of the transfer on 25 June 2025, the Group held 48% equity interest in Yangzhou Shuguang. Accordingly, the Group lost control of Yangzhou Shuguang and it became an associate of the Group since then. As at 30 September 2025, Yangzhou Shuguang was the only particular material associate of the Group, and was 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	Proportion of ownership interest as at 30 September 2025			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
			RMB'000				
Yangzhou Shuguang	Incorporated	Chinese Mainland	37,500	48.00%	–	48.00%	Engaged in instrument and meter manufacturing

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	As at/nine months ended 30 September 2025
	RMB'000
Gross amounts of the associates	
Current assets	250,172
Non-current assets	31,997
Current liabilities	55,828

	As at/nine months ended 30 September 2025
	RMB'000
Non-current liabilities	879
Equity	225,462
Revenue	47,466
Profit for the period	14,720
Other comprehensive income for the period	–
Total comprehensive income for the period	14,720
Dividend received from the associate	–
Reconciled to the Group's interests in the associates	
Gross amounts of net assets of the associate	225,462
Group's effective interest	48%
Group's share of net assets of the associate	108,222
Goodwill	125,125
Carrying amount in the consolidated financial statements	233,347

Aggregate information of associates that are not individually material:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	52,565	85,324	46,308	48,250	30,511
Aggregate amounts of the Group's share of those associates					
Loss for the year/period	(3,765)	(12,434)	(17,169)	(12,875)	(2,143)
Other comprehensive income for the year/period	–	–	–	–	–
Total comprehensive income for the year/period	(3,765)	(12,434)	(17,169)	(12,875)	(2,143)

16 INVESTMENTS IN SUBSIDIARIES

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries	1,764,388	2,093,535	2,700,959	2,779,803

The following list contains only the particulars of subsidiaries which principally and significantly affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Company name	Place and date of incorporation/ acquisition and business	Particulars of registered and paid-in capital	Effective interest held by the Group				Principal activities	Name of auditors
			As at 31 December			As at 30 September		
			2022	2023	2024	2025		
Carl Cloos Schweißtechnik GmbH	Germany 31 October 2019	EUR10,800,000	89%	100%	100%	100%	Manufacturing and sales of machinery, electrical appliances, equipment, and related consumable materials and spare parts	2022 & 2023: BDO AG Wirtschaftsprüfungsge-sellschaft 2024: Baker Tilly GmbH & Co. KG Wirtschaftsprüfung-sgesellschaft
Shanghai Prex Mfg. Co., Ltd. (上海普萊克斯自動設備製造有限公司) *(Note)*	Chinese Mainland 20 July 2016	RMB5,330,000	100%	99%	97%	97%	Design, manufacturing, and sales of peripheral automation equipment for the casting machines	2022 & 2023 & 2024: Zhonghui Certified Public Accountants LLP Jiangsu Branch (中匯會計師事務所(特殊普通合夥)江蘇分所) *(Note)*
Nanjing Estun Intelligent System Engineering Co., Ltd. (南京埃斯頓智能系統工程有限公司) *(Note)*	Chinese Mainland 8 August 2016	RMB100,000,000	100%	99%	97%	97%	Design of intelligent system engineering	2022 & 2023 & 2024: Zhonghui Certified Public Accountants LLP Jiangsu Branch (中匯會計師事務所(特殊普通合夥)江蘇分所) *(Note)*
Cloos Welding Technology (Beijing) Co., Ltd. (卡爾克魯斯焊接技術(北京)有限公司) *(Note)*	Chinese Mainland 31 October 2019	RMB64,865,030	89%	100%	100%	100%	Manufacturing and sales of welding machines and related products	2022 & 2023 & 2024: Zhonghui Certified Public Accountants LLP Jiangsu Branch (中匯會計師事務所(特殊普通合夥)江蘇分所) *(Note)*
Nanjing Estun Robot Engineering Co., Ltd. (南京埃斯頓機器人工程有限公司) *(Note)*	Chinese Mainland 5 September 2011	RMB450,000,000	100%	100%	100%	100%	Manufacturing of robots and industrial robot turnkey systems related products	2022 & 2023 & 2024: Zhonghui Certified Public Accountants LLP Jiangsu Branch (中匯會計師事務所(特殊普通合夥)江蘇分所) *(Note)*
Trio Motion Ltd	United Kingdom 23 March 2017	RMB92,500	100%	100%	100%	100%	Design of automation control equipment	2022 & 2023 & 2024: Azets Audit Services

Company name	Place and date of incorporation/ acquisition and business	Particulars of registered and paid-in capital	Effective interest held by the Group				Principal activities	Name of auditors
			As at 31 December			As at 30 September		
			2022	2023	2024	2025		
Nanjing Estun Software Technology Co., Ltd. (南京埃斯頓軟件技術有限公司) *(Note)*	Chinese Mainland 27 November 2013	RMB5,000,000	100%	100%	100%	100%	Development and sale of software	2022 & 2023 & 2024: Zhonghui Certified Public Accountants LLP Jiangsu Branch (中匯會計師事務所(特殊普通合夥)江蘇分所) *(Note)*
Estun Guangdong Robotics Co., Ltd. (埃斯頓(廣東)機器人有限公司) *(Note)*	Chinese Mainland 29 June 2018	RMB50,000,000	100%	100%	100%	100%	Sales and manufacturing of industrial robots	2022 & 2023 & 2024: Zhonghui Certified Public Accountants LLP Jiangsu Branch (中匯會計師事務所(特殊普通合夥)江蘇分所) *(Note)*
Carl Cloos Robotics Technology (China) Co., Ltd. (卡爾克魯斯機器人科技(中國)有限公司) *(Note)*	Chinese Mainland 10 June 2020	USD14,350,000	89%	100%	100%	100%	Import and export of goods	2022 & 2023 & 2024: Zhonghui Certified Public Accountants LLP Jiangsu Branch (中匯會計師事務所(特殊普通合夥)江蘇分所) *(Note)*
Nanjing Cloos Robotics Intelligent Technology Co., Ltd. (南京克魯斯機器人智能科技有限公司) *(Note)*	Chinese Mainland 24 December 2020	RMB1,000,000	89%	100%	100%	100%	Development and sale of artificial intelligence application software	2022 & 2023 & 2024: Nanjing Derong Certified Public Accountants (General Partnership) 南京德容會計師事務所(普通合夥)*(Note)*
Estun Intelligent Technology (Jiangsu) Co., Ltd. (埃斯頓智能科技(江蘇)有限公司) ("Estun Intelligent (Jiangsu)") *(Note)*	Chinese Mainland 19 July 2022	RMB362,713,194	100%	99%	97%	97%	Sales and manufacturing of industrial automation control system devices	2022 & 2023 & 2024: Zhonghui Certified Public Accountants LLP Jiangsu Branch (中匯會計師事務所(特殊普通合夥)江蘇分所) *(Note)*
M.A.i GmbH & Co. KG	Germany 17 October 2017	RMB213,800	50%	100%	100%	100%	Provision of automated assembly and testing production lines based on robotic applications	2022 & 2023 & 2024: HD Bayern Audit AG

Company name	Place and date of incorporation/ acquisition and business	Particulars of registered and paid-in capital	Effective interest held by the Group				Principal activities	Name of auditors
			As at 31 December			As at 30 September		
			2022	2023	2024	2025		
Cloos Kaynak Teknik Sanayi Limited Sirteki .	Turkey 31 October 2019	RMB102,216	89%	100%	100%	100%	Production, marketing, and trade of machinery, mechanisms and tools, and services primarily in the area of welding techniques	N/A

Note: These entities are limited liability companies established in the PRC. The official names of these entities are in Chinese. The English translation of these names is for identification purpose only.

All companies now comprising the Group have adopted 31 December as their financial year end date.

On 25 June 2025, the Group lost control of Yangzhou Shuguang and its subsidiaries and Yangzhou Shuguang became an associate of the Group since then.

Aggregate of assets and liabilities at the date of disposal over which control was lost:

	RMB'000
Property, plant and equipment *(Note 11)*	29,686
Right-of-use assets *(Note 12)*	7,769
Intangible assets *(Note 13)*	3,887
Trade and other receivables, non-current	298
Deferred tax assets	208
Inventories	34,178
Trade and other receivables, current	136,289
Financial assets measured at FVPL	70,220
Cash and cash equivalents	22,883
Trade and other payables	(66,378)
Contract liabilities	(354)
Income tax payable	(251)
Deferred income	(879)
Deferred tax liabilities	(1,985)
Net assets	235,571
Less: non-controlling interests	(62,631)
Net assets	172,940

Gains on disposal of interests in subsidiaries:

	RMB'000
Cash consideration	94,000
The fair value of 48% equity interest in Yangzhou Shuguang the Group held *(Note 15)*	232,800
Less: net assets disposed	(172,940)
Less: goodwill	(157,625)
Net loss on disposal of interests in subsidiaries	(3,765)

Analysis of net cash in respect of the disposal of interests in subsidiaries is as follows:

	RMB'000
Cash consideration	94,000
Less: cash and cash equivalents disposed of	(22,883)
Less: receivables arising from disposal of interests in subsidiaries	(46,060)
Proceeds received for disposal of interests in subsidiaries	25,057

17 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment in unlisted equity securities	134,480	141,440	180,208	173,261

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment in unlisted equity securities	56,228	63,188	101,955	123,252

The unlisted equity securities are shares in the enterprises, which mainly engaged in relevant industries of the Group. The Group designated these investments at FVOCI (non-recycling), as these investments are held for strategic purposes. No dividends were received on these investments during the Track Record Period.

18 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets measured at FVPL				
Non-current assets				
Investments not held for trading:				
– Unlisted equity securities	142,739	163,074	146,762	159,640
– Unlisted units in investment funds	119,475	128,498	66,970	61,542
	262,214	291,572	213,732	221,182

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
– Unlisted units in investment funds	–	20,000	–	–
– Wealth management products	578,115	415,820	388,913	170,136
	578,115	435,820	388,913	170,136

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets measured at FVPL				
Non-current assets				
Investments not held for trading:				
– Unlisted equity securities	132,740	149,919	133,608	156,486
– Unlisted units in investment funds	119,475	128,498	66,970	51,542
	252,215	278,417	200,578	208,028
Current assets				
– Unlisted units in investment funds	–	20,000	–	–
– Wealth management products	578,115	302,572	183,645	10,007
	578,115	322,572	183,645	10,007

19 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprise:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	629,826	495,149	416,411	437,161
Work in progress	138,039	326,774	474,491	498,584
Finished goods	245,408	401,586	575,067	431,056
Goods in transit	–	–	2,929	1,592
Goods delivered to customers	57,317	46,222	133,434	30,473
	1,070,590	1,269,731	1,602,332	1,398,866
Contract costs	117,979	144,767	231,259	151,894
Write-down of inventories	(58,079)	(74,277)	(112,546)	(104,519)
	1,130,490	1,340,221	1,721,045	1,446,241

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	104,771	93,279	94,448	63,875
Work in progress	18,441	11,957	11,185	12,938
Finished goods	47,552	47,562	56,184	51,568
Goods in transit	–	–	1,019	–
Goods delivered to customers	11,666	30,971	5,877	10,533
	182,430	183,769	168,713	138,914
Write-down of inventories	–	–	(7,066)	(6,838)
	182,430	183,769	161,647	132,076

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Carrying amount of inventories sold	2,586,679	3,179,683	2,833,279	2,364,083	2,740,270
Write-down of inventories	17,882	17,171	41,463	–	–
Reversal of write-down of inventories	–	–	–	–	(7,415)
	2,604,561	3,196,854	2,874,742	2,364,083	2,732,855

Net realisable value of inventories 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. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions.

20 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross carrying amount				
Outstanding warranties	103,268	96,135	98,834	118,906
Completed and unbilled contract	20,636	111,816	73,821	115,529
Less: loss allowance	(2,490)	(4,239)	(4,009)	(4,738)
	121,414	203,712	168,646	229,697

(b) Contract liabilities

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments received from customers	249,105	297,507	505,014	520,383

Movements in contract liabilities

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at the beginning of the year/period	211,002	249,105	297,507	505,014
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(211,002)	(249,105)	(272,933)	(494,427)
Increase in contract liabilities as a result of receiving advance payments during the year/period	249,105	297,507	480,440	509,796
Balance at the end of the year/period	249,105	297,507	505,014	520,383

21 TRADE AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Trade receivables				
– Third parties	1,231,938	1,554,315	1,825,407	2,025,015
– Related parties	97,126	152,856	96,078	78,086
Less: loss allowance	(79,737)	(109,701)	(144,928)	(127,750)
Bills receivable	208,959	54,852	146,969	68,773
Net trade and bills receivables measured at amortised cost	1,458,286	1,652,322	1,923,526	2,044,124
Bills receivable, measured at FVOCI	296,140	671,921	483,536	557,580
Amounts due from related parties	100	864	825	8,616
Value-added tax recoverable	9,884	38,307	65,256	43,165
Prepayments	99,658	57,693	44,387	51,278
Listing expenses to be capitalised	–	–	–	16,434
Receivables arising from disposal of interests in subsidiaries	–	–	–	46,060
Other receivables	56,821	33,758	39,945	45,088
	1,920,889	2,454,865	2,557,475	2,812,345

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Long-term deferred expenses	36,214	23,923	9,048	6,650
Prepayments for purchase of property, plant and equipment and intangible assets	20,800	37,531	9,604	22,317
Other receivables	1,103	–	–	–
	58,117	61,454	18,652	28,967

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets				
Trade receivables				
– Third parties	224,926	217,072	214,445	217,016
– Related parties	18,998	13,412	16,382	15,928
– Subsidiaries	45,773	22,034	30,633	30,221
Less: loss allowance	(8,478)	(7,391)	(12,652)	(8,947)
Bills receivable	59,060	12,324	24,044	34,563
Net trade and bills receivables measured at amortised cost	340,279	257,451	272,852	288,781
Bills receivable, measured at FVOCI	116,292	299,648	271,325	227,959
Amounts due from subsidiaries	842,373	1,291,410	1,561,569	1,192,268
Dividends receivable due from subsidiaries	134,000	260,000	50,000	–
Value-added tax recoverable	3,593	4,516	3,914	630
Prepayments	477,987	12,422	18,247	5,006
Listing expenses to be capitalised	–	–	–	16,434
Other receivables	10,369	4,872	10,166	9,837
	1,924,893	2,130,319	2,188,073	1,740,915
Non-current assets				
Long-term deferred expenses	446	275	882	1,772
Prepayments for purchase of property, plant and equipment and intangible assets	6,825	8,493	2,223	8,288
	7,271	8,768	3,105	10,060

All of the current portion of trade and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis:

As at the end of each reporting period, the ageing analysis of the Group's trade receivables and bills receivable, based on the revenue recognition date, is as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,676,521	2,235,568	2,039,229	2,367,118
More than 1 year but within 2 years	87,505	121,019	420,725	252,131
More than 2 years but within 3 years	25,318	36,010	58,158	93,780
More than 3 years	44,819	41,347	33,878	16,425
Less: loss allowance	(79,737)	(109,701)	(144,928)	(127,750)
	1,754,426	2,324,243	2,407,062	2,601,704

22 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank	718,294	1,227,395	1,196,936	1,173,257
Less: restricted bank deposits *(Note)*	(49,972)	(31,142)	(15,832)	(51,291)
Cash and cash equivalents in the consolidated statements of financial position and the consolidated statements of cash flows	668,322	1,196,253	1,181,104	1,121,966

Note: Restricted bank deposits of RMB49,972,000, RMB31,142,000, RMB15,832,000 and RMB51,291,000 as at 31 December 2022, 2023 and 2024 and 30 September 2025 were mainly pledged for bills payable.

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank	216,402	390,427	560,184	491,132
Less: restricted bank deposits	(28,910)	(4,979)	(5,046)	(12,654)
	187,492	385,448	555,138	478,478

(b) Reconciliation of profit/(loss) before taxation to cash generated from operations:

	Note	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit/(loss) before taxation		263,608	167,537	(775,524)	(36,892)	59,830
Adjustments for:						
Depreciation of property, plant and equipment	*6(c)*	62,679	71,449	93,469	73,221	77,369
Depreciation of investment property		–	–	–	–	502
Depreciation of right-of-use assets	*6(c)*	18,619	19,458	23,897	15,787	19,571
Amortisation of intangible assets	*6(c)*	37,999	43,686	63,961	46,519	46,781
Amortisation of long-term deferred expenses		14,320	16,407	17,727	4,115	7,572
Provision for/(reversal of) impairment loss on trade and other receivables and contract assets	*6(c)*	47,517	26,877	64,537	20,601	(5,088)
Provision for write-down of inventories	*19(b)*	17,882	17,171	41,463	–	–
Reversal of write-down of inventories	*19(b)*	–	–	–	–	(7,415)
Impairment loss on intangible assets and goodwill	*6(c)*	–	–	360,467	–	–
Finance costs	*6(a)*	93,990	130,538	154,193	103,909	119,487
Interest income from bank deposits	*5*	(11,040)	(9,807)	(15,493)	(11,910)	(9,702)
Share of profits less losses of associates	*15*	3,765	12,434	17,169	12,875	2,143
Realised and unrealised gains on wealth management products	*5*	(18,284)	(23,008)	(15,602)	(7,190)	(10,239)
Realised and unrealised (gains)/losses on other financial assets measured at FVPL	*5*	(52,828)	(30,718)	22,787	–	(12,878)
Net losses/(gains) on disposal of property, plant and equipment	*5*	171	(1,000)	501	(3,801)	788
Net gains on disposal of interests in associates	*5*	–	–	(15,948)	(14,781)	(976)
Net losses on disposal of subsidiaries	*5*	14,316	69	–	–	3,765
Equity-settled share-based payment expenses	*6(b)*	10,253	6,502	10,451	11,384	14,450
Net foreign exchange (gains)/losses		(13,118)	2,233	(2,992)	(2,935)	6,962
Others		3,955	(5,840)	3,960	7,244	3,504
Changes in working capital:						
(Increase)/decrease in inventories		(376,547)	(235,443)	(395,183)	52,884	248,215
Increase in trade and other receivables		(786,940)	(654,215)	(173,259)	(346,398)	(277,824)

	Note	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Increase)/decrease in contract assets		(23,974)	(84,046)	40,261	(20,525)	(61,781)
(Increase)/decrease in restricted bank deposits		(8,296)	29,321	9,771	(32,173)	(35,459)
Increase/(decrease) in trade and other payables		747,209	533,381	200,068	(360,902)	61,297
Increase in contract liabilities		38,103	48,402	197,679	4,533	15,723
Increase/(decrease) in provisions		6,743	3,560	(572)	(3,972)	28,608
(Decrease)/increase in deferred income		(6,350)	(9,951)	18,280	(6,093)	30,589
Cash generated from/(used in) operations		83,752	74,997	(53,932)	(494,500)	325,794

(c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank loans and other borrowings	Lease liabilities	Total
	RMB'000 (Note 24)	RMB'000 (Note 25)	RMB'000
At 1 January 2022	2,460,341	74,956	2,535,297
Changes from financing cash flows:			
Proceeds from new bank loans	1,956,047	–	1,956,047
Repayment of bank loans	(1,444,596)	–	(1,444,596)
Repayments of borrowings from the controlling shareholder	(109,416)	–	(109,416)
Capital element and interest element of lease rentals paid	–	(12,288)	(12,288)
Interest paid	(66,908)	(2,229)	(69,137)
Total changes from financing cash flows	335,127	(14,517)	320,610
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	5,977	5,977
Proceeds from early termination of lease agreements	–	(1,570)	(1,570)
Exchange adjustments	16,102	1,214	17,316
Interest expenses *(Note 6(a))*	71,793	2,229	74,022
Total other changes	87,895	7,850	95,745
At 31 December 2022 and 1 January 2023	2,883,363	68,289	2,951,652

	Bank loans and other borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Note 24)	*(Note 25)*	
At 1 January 2023	2,883,363	68,289	2,951,652
Changes from financing cash flows:			
Proceeds from new bank loans	4,310,347	–	4,310,347
Repayment of bank loans	(3,212,755)	–	(3,212,755)
Repayments of borrowings from the controlling shareholder	(110,000)	–	(110,000)
Proceeds from other borrowings	380,000	–	380,000
Capital element and interest element of lease rentals paid	–	(9,206)	(9,206)
Interest paid	(120,209)	(2,062)	(122,271)
Total changes from financing cash flows	1,247,383	(11,268)	1,236,115
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	5,784	5,784
Proceeds from early termination of lease agreements	–	(10,833)	(10,833)
Exchange adjustments	(25,983)	1,493	(24,490)
Interest expenses *(Note 6(a))*	109,823	2,062	111,885
Total other changes	83,840	(1,494)	82,346
At 31 December 2023 and 1 January 2024	4,214,586	55,527	4,270,113

	Bank loans and other borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Note 24)	*(Note 25)*	
At 1 January 2024	4,214,586	55,527	4,270,113
Changes from financing cash flows:			
Proceeds from new bank loans	3,515,466	–	3,515,466
Repayment of bank loans	(3,046,284)	–	(3,046,284)
Repayments of borrowings from controlling shareholder	(11,112)	–	(11,112)
Proceeds from other borrowings	35,000	–	35,000
Capital element and interest element of lease rentals paid	–	(16,188)	(16,188)
Interest paid	(124,406)	(1,866)	(126,272)
Total changes from financing cash flows	368,664	(18,054)	350,610
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	51,471	51,471
Acquisition of a subsidiary	–	1,040	1,040
Exchange adjustments	12,738	(4,430)	8,308
Interest expenses *(Note 6(a))*	125,983	1,866	127,849
Total other changes	138,721	49,947	188,668
At 31 December 2024	4,721,971	87,420	4,809,391

	Bank loans and other borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Note 24)	*(Note 25)*	
At 1 January 2024 (unaudited)	4,214,586	55,527	4,270,113
Changes from financing cash flows:			
Proceeds from new bank loans	2,947,817	–	2,947,817
Repayment of bank loans	(2,193,315)	–	(2,193,315)
Repayments of borrowings from controlling shareholder	(11,112)	–	(11,112)
Proceeds from other borrowings	35,000	–	35,000
Capital element and interest element of lease rentals paid	–	(12,390)	(12,390)
Interest paid	(70,804)	(1,552)	(72,356)
Total changes from financing cash flows	707,586	(13,942)	693,644
Other changes:			
Increase in lease liabilities from entering into new leases during the period	–	6,444	6,444
Acquisition of a subsidiary	–	1,040	1,040
Exchange adjustments	(2,119)	390	(1,729)
Interest expenses *(Note 6(a))*	88,315	1,620	89,935
Total other changes	86,196	9,494	95,690
At 30 September 2024	5,008,368	51,079	5,059,447

	Bank loans and other borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Note 24)	*(Note 25)*	
At 1 January 2025	4,721,971	87,420	4,809,391
Changes from financing cash flows:			
Proceeds from new bank loans	2,154,458	–	2,154,458
Repayment of bank loans	(2,467,357)	–	(2,467,357)
Capital element and interest element of lease rentals paid	–	(11,844)	(11,844)
Interest paid	(96,068)	(3,714)	(99,782)
Total changes from financing cash flows	(408,967)	(15,558)	(424,525)
Other changes:			
Increase in lease liabilities from entering into new leases during the period	–	14,204	14,204
Decrease in lease liabilities from termination of lease agreements during the period	–	(14,919)	(14,919)
Exchange adjustments	13,165	7,268	20,433
Interest expenses *(Note 6(a))*	110,528	3,714	114,242
Total other changes	123,693	10,267	133,960
At 30 September 2025	4,436,697	82,129	4,518,826

(d) Total cash out flow for leases:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Within operating cash flows	4,628	6,725	6,503	7,510	6,764
Within financing cash flows	14,517	11,268	18,054	13,942	15,558
	19,145	17,993	24,557	21,452	22,322

These amounts relate to the following:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Lease rentals settled	19,145	17,993	24,557	21,452	22,322

23 TRADE AND OTHER PAYABLES

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	819,913	1,132,316	1,439,547	1,622,787
Bills payable	460,208	690,988	648,994	524,156
Accrued payrolls	100,598	108,677	79,987	94,606
Payables for property, plant and equipment	18,522	162,861	119,108	113,653
Other tax payables	67,922	44,919	36,439	48,791
Other payables and accruals	115,428	159,660	231,482	254,433
	1,582,591	2,299,421	2,555,557	2,658,426

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	338,320	335,867	335,627	336,732
Bills payable	668,949	1,148,838	1,111,198	345,045
Amounts due to subsidiaries	487,595	102,203	278,207	257,773
Accrued payrolls	10,603	8,765	7,331	6,072
Payables for property, plant and equipment	8,519	90,699	66,593	48,250
Other tax payables	1,605	2,423	1,790	5,436
Other payables and accruals	37,553	40,049	43,348	88,190
	1,553,144	1,728,844	1,844,094	1,087,498

All trade and other payables are expected to be settled within one year or are repayable on demand.

As at the end of each reporting period, the ageing analysis of the Group's trade payables and bills payable based on the invoice date, is as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	1,240,833	1,780,738	2,016,275	2,105,858
Over 1 year but within 2 years	26,158	24,156	58,975	34,296
Over 2 years but within 3 years	3,308	10,347	4,385	4,860
Over 3 years	9,822	8,063	8,906	1,929
	1,280,121	1,823,304	2,088,541	2,146,943

24 BANK LOANS AND OTHER BORROWINGS

(a) The analysis of the carrying amount of bank loans and other borrowings is as follows:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities				
– Short-term bank loans	814,276	1,514,007	1,838,959	1,307,000
– Current portion of long-term bank loans	517,883	879,483	1,090,411	1,504,806
– Loans from the controlling shareholder *(Note 34)*	121,112	11,112	–	–
	1,453,271	2,404,602	2,929,370	2,811,806
Non-current liabilities				
– Non-current portion of long-term bank loans	1,430,092	1,429,984	1,353,442	1,167,057
– Redemption liabilities *(Note)*	–	380,000	439,159	457,834
	1,430,092	1,809,984	1,792,601	1,624,891

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities				
– Short-term bank loans	210,893	410,336	635,568	712,600
– Current portion of long-term bank loans	327,597	643,632	963,715	1,344,259
– Loans from the controlling shareholder	121,112	11,112	–	–
	659,602	1,065,080	1,599,283	2,056,859
Non-current liabilities				
– Non-current portion of long-term bank loans	1,109,000	1,332,175	1,310,057	964,740

Note: On 28 December 2023 and 19 April 2024, the Company's subsidiary Estun Intelligent (Jiangsu) entered into share purchase agreements with external investors and the Company, pursuant to which Estun Intelligent (Jiangsu) issued shares with redemption rights, liquidity preference and anti-dilution rights to the external investors for a total cash consideration of RMB380,000,000 and RMB35,000,000 respectively. The issued shares shall be redeemable by the Company if the trigger event stipulated in the agreements does not occur before 30 September 2027, at a price equal to the higher amount of 1) the original consideration plus a simple interest of 6% per annum or 2) the fair value of relevant equity interests in Estun Intelligent (Jiangsu).

In accordance with the Group's accounting policy set out in Note 2(q), the issued shares are initially recognised at fair value and subsequently measured at amortised cost, bearing an interest of 6% per annum.

(b) The analysis of the repayment schedule of the Group's bank loans and other borrowings is as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year or on demand	1,453,271	2,404,602	2,929,370	2,811,806
After 1 year but within 2 years	1,023,101	1,050,337	1,053,234	978,381
After 2 years but within 5 years	406,991	759,647	739,367	646,510
	1,430,092	1,809,984	1,792,601	1,624,891
	2,883,363	4,214,586	4,721,971	4,436,697

The bank loans and other borrowings were secured by certain assets of the Group. An analysis of the carrying value of these assets is as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	55,499	61,815	141,442	137,306
Right-of-use assets	47,345	47,127	9,751	7,960
Trade receivables	–	–	83,901	10,000

As at 31 December 2022, 2023 and 2024 and 30 September 2025, the Company issued guarantees to certain subsidiaries in respect of bank loans of RMB698,250,000, RMB391,479,000, RMB521,120,000 and RMB264,377,500 respectively.

25 LEASE LIABILITIES

At the end of each reporting period, the lease liabilities were repayable as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	13,517	12,522	20,120	17,864
After 1 year but within 2 years	13,517	12,531	9,709	13,559
After 2 years but within 5 years	23,481	14,784	28,863	36,374
After 5 years	17,774	15,690	28,728	14,332
	54,772	43,005	67,300	64,265
	68,289	55,527	87,420	82,129

26 DEFINED BENEFIT PLANS

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Defined benefit plans	190,619	198,964	201,582	236,510

The Group contributes to defined benefit retirement plans for its employees in certain overseas subsidiaries. Certain retired employees were entitled to receive an annual pension payment upon retirement. The pension benefit obligations vary from different regions due to the different future salary increase rate, discount rate, mortality rate etc. Besides, the pension benefit obligations are also influenced by retirement age and plan assets the Group purchased.

The plans expose the Group to actuarial risks, such as interest rate risk, investment risk and longevity risk. Information about the plans is disclosed below.

(a) The amounts recognised in the consolidated statements of financial position are as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Present value of defined benefit obligations	190,619	198,964	201,582	236,510

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

(b) Movements in the present value of the defined benefit obligations

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	270,216	190,619	198,964	201,582
Remeasurements effect recognised in other comprehensive income				
– Actuarial (losses)/gains	(86,153)	(4,340)	10,843	15,115
– Exchange adjustments	6,412	11,124	(8,688)	19,923
	(79,741)	6,784	2,155	35,038
Benefits paid by the plans	(7,029)	(7,644)	(8,977)	(6,904)
Current service cost	4,461	2,453	2,377	1,549
Interest cost	2,712	6,752	7,063	5,245
At the end of the year/period	190,619	198,964	201,582	236,510

As at 31 December 2022, 2023 and 2024 and 30 September 2025, the weighted average duration of the defined benefit obligations is 15 years, 14 years, 14 years and 14 years, respectively.

(c) Significant actuarial assumptions are as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
Discount rate	3.50%	3.70%	3.30%	4.00%
Future salary increases	2.00%	2.00%	2.00%	2.00%
Retirement benefits increases	1.00%	1.00%	1.00%	1.00%-2.00%
Mortality rate	2018 G Heubeck	2018 G Heubeck	2018 G Heubeck	2018 G Heubeck

27 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) Share options

The Company had 1,396,000 share options outstanding as at 1 January 2022.

The Company adopted an employee share option scheme on 7 April 2023, pursuant to which, the Company granted 9,039,000 share options to employees at a price of RMB21.48 per share. Share options will be vested in three batches in a 36-month period subject to fulfilment of the performance of the Company and the individuals.

The Company adopted an employee share option scheme on 8 July 2025, pursuant to which, the Company granted 3,320,000 share options to employees at an exercise price of RMB20.53 per share. Share options will be vested in three batches in a 36-month period subject to fulfilment of the performance of the Company and the individuals.

(i) The movement of the number of share options are as follows:

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	'000	*'000*	*'000*	*'000*
At the beginning of the year/period	1,396	614	9,039	–
Granted	–	9,039	–	3,320
Vested	(639)	(547)	–	–
Forfeited	(143)	(67)	(9,039)	–
At the end of the year/period	614	9,039	–	3,320

During the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025, the weighted average share price at the date of exercise for shares options exercised during the year/period was RMB6.58, RMB6.58, nil and RMB20.53 respectively.

The options outstanding as at 31 December 2022 and 2023 and 30 September 2025 had an exercise price of RMB6.58, RMB6.58 and RMB20.53 respectively and a weighted average remaining contractual life of 0.4 years, 1.5 years and 2.3 years.

(ii) Fair value of share options

The fair value of services received in return for share options granted is measured by reference to the fair value of such equity instruments on the grant date, of which the estimation is measured based on the Black-Scholes model with the following assumptions:

	Granted during the year ended 31 December 2023	Granted during the nine months ended 30 September 2025
Risk-free interest rate	1.50%/2.10%/2.75%	1.50%/2.10%/2.75%
Expected volatility	21.49%/19.62%/21.00%	29.29%/25.16%/22.58%
Expected dividend yield	0%	0%

During the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025, total expenses recognised in the consolidated statements of profit or loss for share options were RMB1,252,000, RMB440,000, nil and RMB1,949,000 respectively.

(b) Restricted share units

The Company had 4,400,000 restricted shares units ("RSUs") as at 1 January 2022.

The fair value of services received in return for RSUs granted is measured by reference to the fair value of such equity instruments on the grant date, of which the estimation is measured based on the Black-Scholes model.

The Company adopted an employee restricted share units scheme on 8 July 2025, pursuant to which, the Company granted 4,000,000 RSUs to employees at a price of RMB10.27 per share. Restricted share units will be vested in three batches in a 36-month period subject to fulfilment of the performance of the Company and the individuals.

(i) The movement of the number of RSUs are as follows:

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	'000	'000	'000	'000
At the beginning of the year/period	4,400	2,108	–	–
Granted	–	–	–	4,000
Vested	(2,130)	(1,977)	–	–
Forfeited	(162)	(131)	–	–
At the end of the year/period	2,108	–	–	4,000

During the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025, total expenses recognised in the consolidated statements of profit or loss for the RSUs were RMB956,000, RMB(37,000), nil and RMB4,663,000 respectively.

(c) 2022 Employee Share Purchase Plan ("2022 ESPP")

On 25 August 2022, the Company adopted 2022 ESPP, pursuant to which, the Company has set up a special securities account under China Securities Depository and Clearing Corporation Limited and transferred 6,727,400 ordinary shares to the account. Qualified employees under 2022 ESPP purchased the shares at a price of RMB1.00 per share. Each share unit will be vested in two batches in a 56-month period subject to fulfilment of the performance of the Company and the individuals.

On 28 April 2024, the Company further purchased 4,139,000 own shares and transferred to the account under 2022 ESPP.

(i) The movement of the number of shares are as follows:

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	'000	'000	'000	'000
At the beginning of the year/period	–	6,727	6,727	6,727
Granted	6,727	–	4,139	–
Forfeited	–	–	(4,139)	(3,773)
At the end of the year/period	6,727	6,727	6,727	2,954

(ii) Fair value of shares granted

The fair value of services received in return for the shares granted is measured by reference to the fair value of such equity instruments on the grant date, of which the estimation is measured based on the Black-Scholes model with the following assumptions:

	Granted during the year ended 31 December			Granted during the nine months ended 30 September
	2022	2023	2024	2025
Risk-free interest rate	1.50%/2.10%	–	1.50%/2.10%	–
Expected volatility	58.41%/59.30%	–	58.41%/59.30%	–
Expected dividend yield	0.29%	–	0.29%	–

During the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025, total expenses recognised in the consolidated statements of profit or loss for 2022 ESPP were RMB8,045,000, RMB6,099,000, RMB10,451,000 and RMB7,838,000 respectively.

28 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	14,334	4,841	(20,183)	(28,469)
Provisions for income tax for the year/period	56,777	49,259	41,817	48,342
Income tax paid	(66,270)	(74,283)	(50,103)	(25,733)
Disposal of subsidiaries	–	–	–	(251)
At the end of the year/period	4,841	(20,183)	(28,469)	(6,111)

Reconciliation to the consolidated statements of financial position

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Income tax payable	19,373	10,541	2,271	16,836
Income tax recoverable	(14,532)	(30,724)	(30,740)	(22,947)
	4,841	(20,183)	(28,469)	(6,111)

(b) Deferred tax assets and liabilities recognised

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax (assets)/liabilities recognised in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

	Impairment loss	Unrealised profits	Deductible tax losses	Expected credit loss allowance	Defined benefit plan obligations	Equity settled share-based transactions	Depreciation of property, plant and equipment	Government grants	Fair value change of financial assets	Tax impact of revenue recognised over time	Fair value adjustment in relation to acquisition of subsidiaries	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	59	9,651	107,761	10,054	43,644	18,288	3,104	10,652	(3,050)	(10,258)	(44,617)	11,138	156,426
Credited/(charged) to profit or loss	843	(652)	(9,883)	3,898	(420)	(4,286)	(1,253)	(1,207)	(10,046)	(2,503)	4,823	(9,319)	(30,005)
Credited/(charged) to reserves . .	–	–	–	–	(24,722)	(6,818)	70	–	(851)	(323)	–	–	(32,644)
At 31 December 2022 and 1 January 2023	902	8,999	97,878	13,952	18,502	7,184	1,921	9,445	(13,947)	(13,084)	(39,794)	1,819	93,777
Credited/(charged) to profit or loss	506	2,560	33,432	(2,074)	4,748	(7,858)	(1,820)	(3,135)	(5,064)	(8,250)	3,652	9,284	25,981
Credited/(charged) to reserves . .	–	–	–	–	(4,843)	674	61	–	(1,112)	(1,005)	–	–	(6,225)
At 31 December 2023 and 1 January 2024	1,408	11,559	131,310	11,878	18,407	–	162	6,310	(20,123)	(22,339)	(36,142)	11,103	113,533
Credited/(charged) to profit or loss	3,829	436	(46,664)	3,761	(1,325)	–	10,688	3,189	4,196	11,828	1,780	1,807	(6,475)
Credited/(charged) to reserves . .	–	–	–	–	3,313	–	(239)	–	(4,041)	(256)	–	–	(1,223)
At 31 December 2024 and 1 January 2025	5,237	11,995	84,646	15,639	20,395	–	10,611	9,499	(19,968)	(10,767)	(34,362)	12,910	105,835
Credited/(charged) to profit or loss	224	3,722	(13,438)	(164)	530	–	5,175	(572)	(5,610)	(9,412)	1,131	2,641	(15,773)
Credited/(charged) to reserves . .	–	(2,354)	743	120	6,655	–	(1,546)	–	2,219	(1,642)	720	1,540	6,455
Disposal of subsidiaries. .	(220)	–	–	–	–	–	110	(132)	34	–	1,985	–	1,777
At 30 September 2025	5,241	13,363	71,951	15,595	27,580	–	14,350	8,795	(23,325)	(21,821)	(30,526)	17,091	98,294

(ii) Reconciliation to the consolidated statements of financial position

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax asset in the consolidated statements of financial position	175,854	206,619	172,630	130,997
Net deferred tax liability in the consolidated statements of financial position	(82,077)	(93,086)	(66,795)	(32,703)
	93,777	113,533	105,835	98,294

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of the items below, which were incurred by certain subsidiaries that were not likely to generate taxable:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deductible temporary differences	3,753	114,153	149,679	161,371
Deductible tax losses	20,036	127,148	812,564	855,524
	23,789	241,301	962,243	1,016,895

29 DEFERRED INCOME

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	66,076	59,726	49,775	68,055
Additions	11,570	3,793	34,280	38,907
Disposal of subsidiaries	–	–	–	(879)
Credited to profit or loss	(17,920)	(13,744)	(16,000)	(8,318)
At the end of the year/period	59,726	49,775	68,055	97,765

Deferred income mainly represents government grants relating to property, plant and equipment, which are recognised as income on a straight-line basis over the expected useful life of relevant assets.

30 PROVISIONS

	Product warranties and claims	Unfavourable customer contracts	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	24,102	3,311	27,413
Additional provisions made	2,992	527	3,519
Provisions utilised	(332)	(115)	(447)
Others	2,929	742	3,671
At 31 December 2022 and 1 January 2023	29,691	4,465	34,156
Additional provisions made	7,978	106	8,084
Provisions utilised	(3,648)	–	(3,648)
Others	(588)	(288)	(876)
At 31 December 2023 and 1 January 2024	33,433	4,283	37,716
Additional provisions made	11,554	–	11,554
Provisions utilised	(12,133)	(4,283)	(16,416)
Others	4,290	–	4,290
At 31 December 2024 and 1 January 2025	37,144	–	37,144
Additional provisions made	36,155	–	36,155
Provisions utilised	(11,593)	–	(11,593)
Others	4,046	–	4,046
At 30 September 2025	65,752	–	65,752

31 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital	Treasury shares	Share premium	PRC statutory reserves	Share-based payment reserve	Other reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2022	868,638	(107,674)	1,231,199	50,777	36,512	23,466	155,223	2,258,141
Changes in equity for 2022:								
Profit for the year	–	–	–	–	–	–	173,031	173,031
Other comprehensive income	–	–	–	–	–	4,676	–	4,676
Total comprehensive income	–	–	–	–	–	4,676	173,031	177,707
Purchase of own shares	–	(31,141)	–	–	–	–	–	(31,141)
Equity-settled share-based transactions	477	69,529	(56,732)	–	10,253	–	–	23,527
Transfer of other comprehensive income to retained earnings	–	–	–	–	–	(6,033)	6,033	–
Appropriation to statutory reserves	–	–	–	17,303	–	–	(17,303)	–
Dividends approved in respect of the previous year	–	–	–	–	–	–	(25,801)	(25,801)
Balance at 31 December 2022	869,115	(69,286)	1,174,467	68,080	46,765	22,109	291,183	2,402,433

	Share capital	Treasury shares	Share premium	PRC statutory reserves	Share-based payment reserve	Other reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023	869,115	(69,286)	1,174,467	68,080	46,765	22,109	291,183	2,402,433
Changes in equity for 2023:								
Profit for the year	–	–	–	–	–	–	81,594	81,594
Other comprehensive income	–	–	–	–	–	5,849	–	5,849
Total comprehensive income	–	–	–	–	–	5,849	81,594	87,443
Equity-settled share-based transactions	416	9,195	3,252	–	6,502	–	–	19,365
Transfer of other comprehensive income to retained earnings	–	–	–	–	–	450	(450)	–
Appropriation to statutory reserves	–	–	–	8,159	–	–	(8,159)	–
Dividends approved in respect of the previous year	–	–	–	–	–	–	(26,014)	(26,014)
Balance at 31 December 2023	869,531	(60,091)	1,177,719	76,239	53,267	28,408	338,154	2,483,227

	Share capital	Treasury shares	Share premium	PRC statutory reserves	Share-based payment reserve	Other reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2024	869,531	(60,091)	1,177,719	76,239	53,267	28,408	338,154	2,483,227
Changes in equity for 2024:								
Loss for the year	–	–	–	–	–	–	(68,779)	(68,779)
Other comprehensive income	–	–	–	–	–	21,295	–	21,295
Total comprehensive income	–	–	–	–	–	21,295	(68,779)	(47,484)
Purchase of own shares	–	–	–	–	–	–	–	–
Equity-settled share-based transactions	–	–	–	–	10,451	–	–	10,451
Transfer of other comprehensive income to retained earnings	–	–	–	–	–	1,600	(1,600)	–
Dividends approved in respect of the previous year	–	–	–	–	–	–	(52,020)	(52,020)
Balance at 31 December 2024	869,531	(60,091)	1,177,719	76,239	63,718	51,303	215,755	2,394,174

	Share capital	Treasury shares	Share premium	PRC statutory reserves	Share-based payment reserve	Other reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2025	869,531	(60,091)	1,177,719	76,239	63,718	51,303	215,755	2,394,174
Changes in equity for 2025:								
Loss for the period	–	–	–	–	–	–	(82,056)	(82,056)
Other comprehensive income	–	–	–	–	–	12,578	–	12,578
Total comprehensive income	–	–	–	–	–	12,578	(82,056)	(69,478)
Equity-settled share-based transactions	4,000	(41,080)	37,080	–	14,450	–	–	14,450
Cancellation of shares *(Note 31(c))*	(2,513)	60,091	(57,578)	–	–	–	–	–
Balance at 30 September 2025	871,018	(41,080)	1,157,221	76,239	78,168	63,881	133,699	2,339,146

(b) Dividends

During the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025, the Company declared dividends of RMB25,801,000, RMB26,014,000, RMB52,020,000 and nil, respectively to its shareholders.

(c) Issued share capital

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ordinary shares of RMB1 each, issued and fully paid:				
At the beginning of the year/period	868,638	869,115	869,531	869,531
Issue of ordinary shares for settlement equity-settled share-based transactions	639	547	–	–
Issue of RSUs	–	–	–	4,000
Cancellation of unvested restricted shares	(162)	(131)	–	–
Cancellation of shares *(Note)*	–	–	–	(2,513)
At the end of the year/period	869,115	869,531	869,531	871,018

Note: As approved by the resolution of shareholders on 15 January 2025, the Company decided to cancel the remaining 2,513,000 repurchased shares for the purpose of equity settled share-based transactions. Such cancellation was completed on 6 March 2025.

(d) Treasury shares

	No. of Treasury shares	Treasury shares
	'000	*RMB'000*
At 1 January 2022	12,360	(107,674)
Issue of shares granted under 2022 ESPP *(Note 27(c))*	(6,727)	59,633
Cancellation of unvested restricted shares *(Note 31(c))*	(162)	451
Vested restricted shares	(2,130)	9,445
Purchase of own shares	1,281	(31,141)
At 31 December 2022 and 1 January 2023	4,622	(69,286)
Cancellation of unvested restricted shares *(Note 31(c))*	(131)	514
Vested restricted shares	(1,978)	8,681
At 31 December 2023, 1 January 2024 and 31 December 2024	2,513	(60,091)
Cancellation of shares *(Note 31(c))*	(2,513)	60,091
Issue of RSUs	4,000	(41,080)
At 30 September 2025	4,000	(41,080)

The treasury shares are used for restricted share incentive plans or equity excitation.

(e) Nature and purposes of reserves

(i) Share premium

The share premium represents the excess of capital injections made by the equity shareholders over the par value of the shares issued.

During the year ended 31 December 2023, the Group acquired additional equity interests in certain subsidiaries from the respective non-controlling interests and further increased its ownership in these subsidiaries while the Group retains the control. The acquisition of non-controlling interests resulted in a decrease in share premium of RMB233,150,000, being the difference between the cash consideration paid to non-controlling interests and the carrying amount of non-controlling interests acquired on the date of acquisition.

During the nine months ended 30 September 2025, the Company cancelled its certain share capital. The cancellation of share capital resulted in a decrease in share premium of RMB57,578,000, being the difference between share capital and treasury shares.

(ii) PRC statutory reserve

According to the PRC Company Law, the Company's PRC subsidiaries are required to transfer 10% of their profit after taxation, as determined under the PRC accounting regulations, to statutory reserve until the reserve balance reaches 50% of the registered capital. For the purpose of calculating the transfer to reserve, the profit after taxation shall be the amount determined based on the statutory financial statements prepared in accordance with PRC accounting standards. The transfer to this reserve must be made before distribution of dividend to shareholders.

Statutory reserve fund can be used to cover previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

(iii) Share-based payment reserve

The share-based payment reserve represents the portion of the grant date fair value of the restricted shares of the Company, granted to the employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(s)(iii).

(iv) Other reserve

Other reserve mainly includes:

(a) fair value reserve (non-recycling) comprises the cumulative net change in the fair value of financial assets measured at FVOCI that are held at the end of the reporting.

(b) fair value reserve which comprises remeasurements arising from defined benefit retirement plans obligations including comprise actuarial gains and losses and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

(c) The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group's overall strategy remains unchanged throughout the Track Record Period. The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, as at 31 December 2022, 2023 and 2024 and 30 September 2025 was 62.8%, 72.0%, 81.3% and 80.4% respectively.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to accounts trade receivables, contract assets or other financial assets including the risk that receivables will be collected late or not at all if a customer or another contractual party does not fulfill its contractual obligations. The Group's exposure to credit risk arising from cash and cash equivalents, restricted bank deposits and bills receivable is limited because the counterparties are banks and financial institutions with high credit standing, which the Group considers to represent low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2022, 2023 and 2024 and 30 September 2025, 6.8%, 9.4%, 18.8% and 28.4% of the total trade receivables was due from the Group's largest customer, and 26.5%, 34.1%, 35.6% and 46.3% of the total trade receivables, respectively, was due from the Group's five largest customers.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is assessed for impairment both on an individual basis and on a collective group basis based on different credit risk characteristics. Trade receivables and contract assets are categorised as follows for assessment purpose:

- Group 1 – individual: receivables from the counterparties with special consideration
- Group 2 – collective: other trade receivables and contract assets

As at 31 December 2022, 2023 and 2024 and 30 September 2025, the gross carrying amount of trade receivables and contract assets in these categories are as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Group 1	26,995	50,432	63,113	47,321
Group 2	1,425,973	1,864,690	2,031,027	2,290,215
	1,452,968	1,915,122	2,094,140	2,337,536

The loss allowance of Group 1 as at 31 December 2022, 2023 and 2024 and 30 September 2025 was as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	26,995	50,432	63,113	47,321
Less: loss allowance	(20,461)	(42,884)	(52,299)	(36,646)
	6,534	7,548	10,814	10,675

The directors of the Company estimate that the credit risk of trade receivables from certain customers are high. The measurement of ECL on those trade receivables with high credit risk is assessed on an individual basis. The loss allowance of receivables from the counterparties in Group 1 are based on the expected recoverable amount.

The loss allowance of Group 2 as at 31 December 2022, 2023 and 2024 and 30 September 2025 was determined as follows:

	As at 31 December 2022		
	Average expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within 1 year	1.89%	1,284,413	24,219
More than 1 year but within 2 years	8.37%	87,334	7,308
More than 2 years but within 3 years	29.17%	22,389	6,530
More than 3 years	74.47%	31,837	23,709
		1,425,973	61,766

	As at 31 December 2023		
	Average expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Within 1 year	1.97%	1,691,077	33,344
More than 1 year but within 2 years	8.94%	121,734	10,877
More than 2 years but within 3 years	28.79%	26,817	7,720
More than 3 years	76.27%	25,062	19,115
		1,864,690	71,056

	As at 31 December 2024		
	Average expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Within 1 year	1.97%	1,547,268	30,518
More than 1 year but within 2 years	9.42%	409,651	38,601
More than 2 years but within 3 years	26.34%	56,386	14,850
More than 3 years	71.49%	17,722	12,669
		2,031,027	96,638

	As at 30 September 2025		
	Average expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Within 1 year	2.05%	1,958,544	40,175
More than 1 year but within 2 years	10.00%	236,476	23,648
More than 2 years but within 3 years	30.00%	86,505	25,952
More than 3 years	69.82%	8,690	6,067
		2,290,215	95,842

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables and contract assets for the years ended 2022, 2023 and 2024 and 30 September 2025 is as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year/period	61,893	82,227	113,940	148,937
Impairment losses recognised	34,888	29,579	62,689	(4,813)
Amounts written off	(14,283)	(3,852)	(27,109)	(13,227)
Others	(271)	5,986	(583)	1,591
Balance at the end of the year/period	82,227	113,940	148,937	132,488

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contracted rates or, if floating, based on rates current as at 31 December 2022, 2023 and 2024 and 30 September 2025) and the earliest date the Group can be required to pay.

	As at 31 December 2022					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and other borrowings	1,473,181	1,071,077	410,910	–	2,955,168	2,883,363
Trade and other payables	1,582,591	–	–	–	1,582,591	1,582,591
Lease liabilities	14,146	14,146	24,573	18,600	71,465	68,289
	3,069,918	1,085,223	435,483	18,600	4,609,224	4,534,243

	As at 31 December 2023					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and other borrowings	2,429,697	1,104,627	797,545	–	4,331,869	4,214,586
Trade and other payables	2,299,421	–	–	–	2,299,421	2,299,421
Lease liabilities	13,104	13,114	15,471	16,420	58,109	55,527
	4,742,222	1,117,741	813,016	16,420	6,689,399	6,569,534

	As at 31 December 2024					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and other borrowings	2,973,556	1,100,445	763,211	–	4,837,212	4,721,971
Trade and other payables	2,555,557	–	–	–	2,555,557	2,555,557
Lease liabilities	21,056	10,160	30,205	30,064	91,485	87,420
	5,550,169	1,110,605	793,416	30,064	7,484,254	7,364,948

	As at 30 September 2025					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans and other borrowings	2,842,115	949,026	737,144	–	4,528,285	4,436,697
Trade and other payables	2,658,426	–	–	–	2,658,426	2,658,426
Lease liabilities	22,620	16,866	34,341	26,019	99,846	82,129
	5,523,161	965,892	771,485	26,019	7,286,557	7,177,252

(c) Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to fair value interest risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The fair value interest rate risk and cash flow interest rate risk that the Group exposed to are not significant.

(i) Interest rate profile

The following table details the interest rate profile of the Group's bank loans, other borrowings and lease liabilities as at 31 December 2022, 2023 and 2024 and 30 September 2025:

	As at 31 December 2022		As at 31 December 2023		As at 31 December 2024		As at 30 September 2025	
	Effective interest rates	Amount	Effective interest rates	Amount	Effective interest rates	Amount	Effective interest rates	Amount
	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000
Fixed rate instruments:								
Bank loans and other borrowings	0.94%-3.85%	1,819,363	0.94%-6.00%	2,647,296	0.94%-6.00%	2,822,033	1.15%-6.00%	2,191,805
Lease liabilities	4.25%-4.65%	68,289	4.25%-5.38%	55,527	4.25%-5.38%	87,420	4.25%-4.65%	82,129
Subtotal		1,887,652		2,702,823		2,909,453		2,273,934
Variable rate instruments:								
Bank loans and other borrowings	3.00%-4.78%	1,064,000	2.70%-4.3%	1,567,290	2.40%-4.19%	1,899,938	2.15%-6.43%	2,244,892
Subtotal		1,064,000		1,567,290		1,899,938		2,244,892
Total		2,951,652		4,270,113		4,809,391		4,518,826

(ii) Sensitivity analysis

As at 31 December 2022, 2023 and 2024 and 30 September 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variable held constant, would have decreased/increased the Group's profit/(loss) after tax and retained profits by approximately RMB9,046,000, RMB13,323,000, RMB16,147,000 and RMB19,024,000 in response to the general increase/decrease in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits that would arise assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of each reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of each reporting period, the impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expense or income of such a change in interest rates.

(d) Currency risk

As at 31 December 2022, 2023 and 2024 and 30 September 2025, the Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than the functional currencies of the Company and its subsidiaries are not significant.

(e) Fair value measurement

(i) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

Analysis on fair value measurement of financial instruments are as follows:

	As at 31 December 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fair value measured on a recurring basis				
Financial assets measured at FVPL				
– Wealth management products	–	578,115	–	578,115
– Unlisted equity securities	–	10,000	132,739	142,739
– Unlisted units in investment funds	–	–	119,475	119,475
Financial assets measured at FVOCI				
– Bills receivable	–	296,140	–	296,140
– Unlisted equity securities	–	19,905	114,575	134,480

	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fair value measured on a recurring basis				
Financial assets measured at FVPL				
– Wealth management products	–	415,820	–	415,820
– Unlisted equity securities	–	13,155	149,919	163,074
– Unlisted units in investment funds	–	20,000	128,498	148,498
Financial assets measured at FVOCI				
– Bills receivable	–	671,921	–	671,921
– Unlisted equity instruments	–	19,905	121,535	141,440

	As at 31 December 2024			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fair value measured on a recurring basis				
Financial assets measured at FVPL				
– Wealth management products	–	388,913	–	388,913
– Unlisted equity securities	–	13,155	133,607	146,762
– Unlisted units in investment funds	–	–	66,970	66,970
Financial assets measured at FVOCI				
– Bills receivable	–	483,536	–	483,536
– Unlisted equity securities	–	19,905	160,303	180,208

	As at 30 September 2025			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fair value measured on a recurring basis				
Financial assets measured at FVPL				
– Wealth management products	–	170,136	–	170,136
– Unlisted equity securities	–	13,155	146,485	159,640
– Unlisted units in investment funds	–	–	61,542	61,542
Financial assets measured at FVOCI				
– Bills receivable	–	557,580	–	557,580
– Unlisted equity securities	–	21,505	151,756	173,261

During the years ended December 2022, 2023 and 2024 and the nine months ended 30 September 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair values of the bills receivable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

The fair value of certain unlisted equity securities and unlisted units in investment funds is determined using comparable transactions adjusted approach or market approach adjusted for changing trend of medium market multiples of comparable companies or medium market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of medium market multiples of comparable companies or medium market multiples of comparable companies.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Unlisted equity securities	Comparable transactions adjusted approach/market approach *(Note i)*	Changing trend of medium market multiples of comparable companies/ medium market multiples of comparable companies
Unlisted units in investment funds	Net asset value *(Note ii)*	Net asset value of underlying investments

Notes:

(i) The fair value of certain unlisted equity securities is determined using comparable transactions adjusted approach or market approach adjusted for changing trend of medium market multiples of comparable companies or medium market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of medium market multiples of comparable companies or medium market multiples of comparable companies. As at 31 December 2022, 2023 and 2024 and 30 September 2025, it is estimated that with all other variables held constant, an increase/decrease in change of medium market multiples of comparable companies or medium market multiples of comparable companies by 5% would have increased/decreased the Group's profit for the year/period by RMB5,641,000, RMB6,372,000, RMB5,678,000 and RMB6,226,000 and increased/decreased the Group's other comprehensive income for the year/period by RMB5,456,000, RMB5,752,000, RMB7,400,000 and RMB6,821,000.

(ii) The fair value of unlisted units in investment funds is determined referencing net asset value of underlying investments. The fair value measurement is positively correlated to net asset value of underlying investments. As at 31 December 2022, 2023 and 2024 and 30 September 2025, it is estimated that with all other variables held constant, an increase/decrease in net asset value of underlying investments by 5% would have increased/decreased the Group's profit for the year/period by RMB5,078,000, RMB5,461,000, RMB2,846,000 and RMB2,616,000.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy:

	Financial assets measured at FVOCI	Financial assets measured at FVPL	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	110,554	56,500	167,054
Net unrealised gains during the year	743	47,828	48,571
Additions	3,450	154,386	157,836
Disposals	(172)	(6,500)	(6,672)
At 31 December 2022 and 1 January 2023	114,575	252,214	366,789
Net unrealised gains during the year	7,410	24,720	32,130
Additions	–	10,000	10,000
Disposals	(450)	(8,517)	(8,967)
At 31 December 2023 and 1 January 2024	121,535	278,417	399,952
Net unrealised gains/(losses) during the year	25,338	(24,450)	888
Additions	13,430	–	13,430
Disposals	–	(53,390)	(53,390)
At 31 December 2024 and 1 January 2025	160,303	200,577	360,880
Net unrealised (losses)/gains during the period	(15,547)	12,878	(2,669)
Additions	7,000	–	7,000
Disposals	–	(5,428)	(5,428)
At 30 September 2025	151,756	208,027	359,783

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2022, 2023 and 2024 and 30 September 2025.

33 COMMITMENTS

Capital commitments of the Group outstanding as at 31 December 2022, 2023 and 2024 and 30 September 2025 not provided for in the financial statements were as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted for acquisition of property, plant and equipment, intangible assets and other long-term assets	578,484	298,968	208,800	96,143

34 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Short-term employee benefit	6,473	6,335	8,085	5,898	6,383
Share-based payment	479	686	874	578	1,213
Contributions to defined contribution retirement plans	303	300	371	267	324
	7,255	7,321	9,330	6,743	7,920

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Name and relationship with related parties

Name of related parties	Relationship
Nanjing Primest	Controlling shareholder
Estun (Nanjing) Medical Technology Co., Ltd. ("Estun Nanjing Medical") (埃斯頓(南京)醫療科技有限公司)	Fellow subsidiary (associate before 26 December 2024)
Changzhou Estun Medical Technology Co., Ltd. (常州埃斯頓醫療科技有限公司)	Fellow subsidiary
Nanjing Estun Future Technology Research Institute Co., Ltd. (南京埃斯頓未來技術研究院有限公司)	Fellow subsidiary
Nanjing Estun Codroid Technology Co., Ltd. (南京埃斯頓酷卓科技有限公司)	Fellow subsidiary (associate during the Track Record Period)
Nanjing Jianruijie Software Development Co., Ltd. (南京簡睿捷軟件發展有限公司)	Associate
Nanjing Yuanshi Control System Co., Ltd. (南京源石控制系統有限公司)	Associate
Shiyan Intelligent Technology (Guangzhou) Co., Ltd. (視研智能科技(廣州)有限公司)	Associate
Shandong Haida Robot Technology Co., Ltd. (山東海大機器人科技有限公司)	Associate
Xiamen Fengyuan Robotics Co., Ltd. (廈門鋒元機器人有限公司)	Associate before 24 March 2025
Shenzhen Meisitu Technology Co., Ltd. (深圳市美斯圖科技有限公司)	Associate
Zhejiang Qicheng Intelligent Technology Co., Ltd. (浙江啟成智能科技有限公司)	Associate before 31 March 2025
Yangzhou Shuguang Optoelectronics Automation Co., Ltd. (揚州曙光光電自控有限責任公司)	Associate since 25 June 2025
JSTN PTE. LTD.	Associate
JSTN (MALAYSIA) SDN. BHD.	Associate

(c) Guarantees issued by a related party

Certain bank facilities granted to the Group were guaranteed by the controlling shareholder Nanjing Primest. An analysis of the carrying value of bank loans under guarantee is as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans *(Note 24)*	654,447	388,058	354,720	208,378

The outstanding balances of above bank loans were repaid on 27 October 2025 by the Group and the guarantees were released accordingly.

(d) Other significant related party transactions

During the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2024 and 2025, the Group had following material transactions with related parties:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Purchase of goods					
– Associates	6,440	7,804	5,588	3,671	5,881
– Fellow subsidiaries	42	28	7,979	2,553	12,862
Sale of goods and rendering of services					
– Associates	95,743	158,988	62,799	52,179	73,694
– Fellow subsidiaries	3,629	6,443	5,762	3,090	3,745
Rental income					
– Fellow subsidiaries	571	667	2,505	1,888	2,393
Repayments of loans					
– Controlling shareholder	107,696	110,000	11,112	11,112	–

(e) Significant related party balances

As at 31 December 2022, 2023 and 2024 and 30 September 2025, the Group had following material balances with related parties:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade related				
Trade receivables	97,126	152,856	96,078	78,086
Trade payables	17,453	9,434	15,254	19,426
Non-trade related				
Loans from the controlling shareholder	121,112	11,112	–	–

35 SUBSEQUENT EVENTS

On 20 October 2025, the Group entered into a share transfer agreement, pursuant to which the Group agreed to transfer the remaining 48% equity interest in Yangzhou Shuguang, a material associate of the Group, to Wuxi Xinhongye Wire & Cable Technology Co., Ltd. (無錫鑫宏業線纜科技股份有限公司), at a consideration of RMB244.8 million. The transfer was completed on 3 November 2025.

36 ULTIMATE CONTROLLING PARTY

As at the date of this report, the Directors consider the ultimate controlling party of the Group to be Mr. Wu Bo, Mr. Wu Kan (son of Mr. Wu Bo) and Ms. Liu Fang (spouse of Mr. Wu Bo).

37 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of issue of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in preparing the Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Amendments to IFRS 9 and IFRS 7: *Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, *Presentation and Disclosure in Financial Statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and financial position of the Group.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries comprising the Group in respect of any period subsequent to 30 September 2025.

The estimated consolidated profit attributable to equity shareholders of our Company for the year ended December 31, 2025 is set out in "Summary — Profit Estimate for the year ended December 31, 2025" in this prospectus.

A. BASES

Our Directors have prepared the estimate of the consolidated profit attributable to equity shareholders of our Company for the year ended December 31, 2025 (the "**Profit Estimate**") on the basis of the audited consolidated results of our Group for the nine months ended September 30, 2025 and the unaudited consolidated results based on the management accounts of the Group for the two months ended November 30, 2025, and an estimate of the consolidated results of the Group for the remaining one month ended December 31, 2025.

The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarized in the Accountants' Report as set out in Appendix I to this prospectus.

B. PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

On the basis set out in "— A. Bases," and in the absence of unforeseen circumstances, we estimate that our unaudited consolidated profit attributable to equity shareholders of our Company for the year ended December 31, 2025 is as follows:

Estimated consolidated profit attributable to equity shareholders of our Company for the year ended December 31, 2025	Not less than RMB35.0 million

C. LETTER FROM THE REPORTING ACCOUNTANTS

The following is the text of a letter, prepared for the purpose of inclusion in this document, from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in relation to the Group's profit estimate.

KPMG

The Directors

ESTUN AUTOMATION CO., LTD 南京埃斯頓自動化股份有限公司
Huatai Financial Holdings (Hong Kong) Limited

Dear Sirs,

ESTUN AUTOMATION CO., LTD 南京埃斯頓自動化股份有限公司 ("**the Company**")

Profit Estimate for Year Ended 31 December 2025

We refer to the estimate of the consolidated profit attributable to equity shareholders of the Company for the year ended 31 December 2025 ("the **Profit Estimate**") set forth in the section headed "Summary — Profit Estimate for the year ended December 31, 2025" in the prospectus of the Company dated 27 February 2026 ("the **Prospectus**").

Directors' Responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the audited consolidated results of the Company and its subsidiaries (collectively referred to as "**the Group**") for the nine months ended 30 September 2025 and the unaudited consolidated results based on the management accounts of the Group for the two months ended 30 November 2025, and an estimate of the consolidated results of the Group for the remaining one month ended 31 December 2025.

The Company's directors are solely responsible for the Profit Estimate.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures. We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in Appendix IA of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated 27 February 2026, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
27 February 2026

D. LETTER FROM THE SOLE SPONSOR ON PROFIT ESTIMATE

华泰国际
HUATAI INTERNATIONAL

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

February 27, 2026

The Directors
ESTUN AUTOMATION CO., LTD

Dear Sirs and Madams,

We refer to the estimate of the consolidated profits attributable to the equity shareholders of ESTUN AUTOMATION CO., LTD (the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**") for the year ending December 31, 2025 (the "**Profit Estimate**"), for which the directors of the Company (the "**Directors**") are solely responsible, as set forth in the section headed "Summary — Profit estimate for the year ending December 31, 2025" in the prospectus of the Company dated February 27, 2026 (the "**Prospectus**").

The Profit Estimate has been prepared by the Directors based on the audited consolidated results of the Group for the nine months ended September 30, 2025 and the unaudited consolidated results based on the management accounts of the Group for the two months ended November 30, 2025, and an estimate of the consolidated results of the Group for the remaining one month ended December 31, 2025.

We have discussed with you the basis and assumptions made by the Directors as set out in Appendix IA to the Prospectus, upon which the Profit Estimate has been made. We have also considered the letter dated February 27, 2026 addressed to you and us from the Company's reporting accountants, KPMG, regarding the accounting policies and calculations upon which the Profit Estimate has been made.

On the basis of the information comprising the Profit Estimate and on the basis of the accounting policies and calculations adopted by you and reviewed by KPMG, we are of the opinion that the Profit Estimate, for which you as the Directors are solely responsible, has been made after due and careful enquiry.

For and on behalf of
Huatai Financial Holdings (Hong Kong) Limited

The following information does not form part of the Accountants' Report from KPMG, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for illustrative information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to equity shareholders of the Company as if the Global Offering had been completed on 30 September 2025.

The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at 30 September 2025 or any future date.

	Consolidated net tangible assets attributable to equity shareholders of the Company as of 30 September 2025(1)	Estimated net proceeds from the Global Offering(2)(4)	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB(3)*	*HK$(4)*
Based on an Offer Price of HK$15.36 per Offer Share . . .	340,252	1,251,747	1,591,999	1.65	1.86
Based on an Offer Price of HK$17.00 per Offer Share . . .	340,252	1,389,275	1,729,527	1.79	2.02

Notes:

(1) The consolidated net tangible assets attributable to equity shareholders of the Company as of 30 September 2025 is arriving after (i) deducting goodwill of RMB1,044,588,000 and intangible assets of RMB560,509,000 and (ii) adjusting the share of intangible assets attributable to non-controlling interests of RMB4,557,000, from the consolidated total equity attributable to equity shareholders of the Company of RMB1,940,792,000 as of 30 September 2025, which is extracted from the Accountants' Report as set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the expected issuance of 96,780,000 Offer Shares and the indicative Offer Prices of HK$15.36 and HK$17.00 per Offer Share, respectively, being the lower end price and higher end price of the stated Offer Price range, after deduction of the estimated underwriting fees and other related expenses payable by the Group, (excluding the listing expenses charged to profit or loss during the Track Record Period of RMB1,128,000) and does not take into account of any shares which may be issued upon the exercise of the Over-allotment Option and any shares to be issued pursuant to the share option scheme and share reward scheme.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share is arrived at after the above adjustments and on the basis that a total of 963,798,453 shares (excluding the 4,000,000 treasury shares as disclosed in Note 31(d) to the Accountants' Report as set out in Appendix I to this prospectus) in issue assuming that the Global Offering had been completed on 30 September 2025 without taking into account of any shares which may be issued upon the exercise of the Over-allotment Option and any shares to be issued pursuant to the share option scheme and share reward scheme.

(4) For illustrative purpose, the estimated net proceeds from the Global Offering is converted from the Hong Kong dollar into Renminbi and the unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company per Share is converted from Renminbi into Hong Kong dollar at a rate of HK$1 = RMB0.88787, being the PBOC rate prevailing on the Latest Practicable Date. No representation is made that the Hong Kong Dollars amounts have been, could have been or may be converted into Renminbi, or vice versa, at that rate.

(5) No adjustment has been made to the unaudited pro forma statement of adjusted net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2025, including but not limited to the disposal of remaining 48% equity interest in Yangzhou Shuguang completed in November 2025 as disclosed in Note 35 to the Accountants' Report as set out in Appendix I to this prospectus. Had such disposal been completed on 30 September 2025, the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company would have increased by approximately RMB11,453,000 and the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share would have been increased by RMB0.01 or HK$0.02.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this prospectus.

KPMG

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

To the Directors of ESTUN AUTOMATION CO., LTD 南京埃斯頓自動化股份有限公司

We have completed our assurance engagement to report on the compilation of pro forma financial information of ESTUN AUTOMATION CO., LTD 南京埃斯頓自動化股份有限公司 (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at 30 September 2025 and related notes as set out in Part A of Appendix II to this prospectus dated 27 February 2026 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to this prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Global Offering") on the Group's financial position as at 30 September 2025 as if the Global Offering had taken place at 30 September 2025. As part of this process, information about the Group's financial position as at 30 September 2025 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to this prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at 30 September 2025 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" in this prospectus.

Opinion

In our opinion:

(a) the pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group, and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
27 February 2026

TAXATION OF SECURITY HOLDERS

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 resident or other tax provisions. The following summary of certain relevant taxation provisions is based on current laws and practices, is subject to change and does not constitute legal or tax advice. The discussion does not deal with all possible tax consequences relating to investment in the H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of investment in the H Shares. The discussion is based upon laws and relevant interpretations in effect as at the Latest Practicable Date, all of which are subject to change and may have retrospective effect.

The following discussion does not address any aspects of PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/value-added tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

The PRC Taxation

Taxation on dividends

Individual investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (hereinafter referred to as the "Individual Income Tax Law") that was promulgated on September 10, 1980 and amended on August 31, 2018 by the Standing Committee of the 13th NPC, and came into effect on January 1, 2019, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), that were amended by the State Council on December 18, 2018 and came into effect on January 1, 2019, dividends paid by Chinese companies to individual investors are generally subject to a withholding tax at a flat rate of 20%. In addition, according to the Notice of the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on Issues Concerning Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《財政部、國家稅務總局、證監會關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the Ministry of Finance (the "MOF"), the State Taxation Administration (the "SAT") and the China Securities Regulatory Commission (the "CSRC") on September 7, 2015, where an individual acquires stocks of a listed company from public offering or from the stock transfer market and holds the stocks for more than one year, the income from dividends is exempt from individual income tax; if the individual holds the stocks less than one month (one month inclusive), the income from dividends is fully taxable; if the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends is taxable; The aforesaid income is subject to an individual income tax at a flat rate of 20%. In fact, the withholding tax rate for dividends of non-resident individuals may be lower than 20% under certain circumstances. However, according to the Circular of the MOF and the SAT on Issues Concerning Individual Income Tax Policies (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》), the income received by individual foreigners from dividends and bonuses of a foreign-invested enterprise is exempt from individual income tax for the time being. On February 3, 2013, the State Council approved and promulgated the Notice of the State Council on Approving and Relaying the Several Opinions of the National Development and Reform Commission and Other Departments on Deepening Reform of the Income Distribution System (《國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知》). On February 8, 2013, the General Office of the State Council promulgated the Notice of the General Office of the State Council on Deepening the Division of Key Work for Income Distribution System Reform (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》). According to these two documents, the PRC government is planning to cancel foreign individuals' tax exemption for dividends obtained from foreign-invested enterprises, and the MOF and the SAT should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by the MOF and the SAT. According to the Notice of the SAT on Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of the Document (Guo Shui Fa [1993] No. 45) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the SAT on June 28, 2011, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends to overseas resident individuals in the jurisdiction of the tax treaty, normally withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates lower than 10%, the non-foreign-invested enterprise whose shares are listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the excessive withholding amount will be refunded. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the agreements, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or are under other situations, the non-foreign-invested enterprise is required to withhold the individual income tax at a rate of 20%.

Pursuant to 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稅和防止偷漏稅的安排》) signed on August 21, 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a resident of the Hong Kong Special Administrative Region (including natural person and legal entity), but such tax will not exceed 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to 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稅和防止偷漏稅的安排》第五議定書) effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

Corporate investors

According to the Enterprise Income Tax Law that was amended and came into effect 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稅法實施條例》) that were amended and came into effect on April 23, 2019, where a non-resident enterprise has not set up any institutions or establishments in China, or it has done so, but its income generated in China is irrelevant to the said institutions or establishments, it shall pay tax on the portion of its income generated in China (including dividends received from a PRC resident enterprise whose shares are issued and listed in Hong Kong) and the enterprise income tax rate is generally 10%. The aforesaid income tax payable by a non-resident enterprise must be withheld at source. The payer of the income is the withholding obligator. The withholding tax may be reduced or eliminated under an applicable treaty for the avoidance of double taxation.

The Notice of the SAT on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Distributed by PRC Resident Enterprises to Overseas H-share Holders Which Are Non-resident Enterprises (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) that was promulgated by the SAT and came into effect on November 6, 2008, further clarifies that with regard to dividends distributed from profits generated after January 1, 2008, PRC resident enterprises must withhold and pay enterprise income tax at a tax rate of 10% on dividends distributed to H-share non-PRC resident enterprise shareholders. The Reply of the Imposition of Enterprise Income Tax on B-share and Other Dividends of Non-resident Enterprises (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) that was promulgated by the SAT on July 24, 2009, further provides that any PRC resident enterprise listed on any overseas stock exchange must withhold enterprise income tax at a rate of 10% on dividends distributed to non-PRC resident enterprise shareholders. The above-mentioned tax rate may be further adjusted pursuant to the tax treaty or agreement that China has concluded with the relevant jurisdiction, where applicable.

Pursuant to 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稅和防止偷漏稅的安排》) signed on August 21, 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to 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

對所得避免雙重徵稅和防止偷漏稅的安排》第五議定書) effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions. The application of the dividend clause of tax agreements shall be subject to the PRC tax laws and regulations, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協議股息條款有關問題的通知》).

Tax treaties

Non-PRC resident investors residing in countries that have entered into agreements for the avoidance of double taxation with China or residing in Hong Kong or Macau Special Administrative Region are entitled to preferential tax rates on dividends received by such investors from the Chinese companies. China has entered into arrangements for the avoidance of double taxation with Hong Kong and Macau Special Administrative Region, respectively, and has entered into treaties for the avoidance of double taxation with certain other countries, including but not limited to Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. A non-PRC resident enterprise entitled to a preferential tax rate under a relevant income tax treaty or arrangement may apply to China tax authorities for a refund of the difference between the amount of tax withheld and the amount of tax calculated according to the agreement rate.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Agreements (《非居民納稅人享受協議待遇管理辦法》), which was promulgated by the SAT on October 14, 2019 and became effective on January 1, 2020, non-resident taxpayers are entitled to preferential treatment under the tax agreements through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding declaration through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and be subject to subsequent administration by tax authorities.

Taxes on income from transfer of equity

VAT and local surcharges

Pursuant to the Circular on Comprehensively Promoting the Pilot Programme of the Collection of VAT in Lieu of Business Tax (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》) (the "**Circular 36**"), promulgated by the MOF and the SAT on March 23, 2016 and as amended on July 11, 2017, December 25, 2017 and March 20, 2019 respectively, the entities and individuals that sell services, intangible assets or real estates within the territory of the PRC are value-added taxpayers, and shall pay value-added tax instead of business tax. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to value-added tax at a rate of 6% on the taxable income.

Meanwhile, the taxpayers of value-added tax are also subject to urban maintenance and construction tax, education surcharge and local education surcharge.

Income tax

Individual investors

According to the Individual Income Tax Law and its implementation regulations, individuals shall pay the individual income tax at the rate of 20% on their income from the sale of equity in PRC resident enterprises. Pursuant to the Circular of the Declaring that Individual Income Tax Continues to Be Exempted over Income of Individuals from Transfer of Shares (《財政部及國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (hereinafter referred to as "Circular 61") that was promulgated by the MOF and the SAT on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares of listed companies remain exempt from individual income tax. According to the Announcement about the Catalogue of Preferential Individual Income Tax Policies with Continued Effect (《財政部、國家稅務總局關於繼續有效的個人所得稅優惠政策目錄的公告》) promulgated by the MOF and the SAT on December 29, 2018, the Circular 61 will remain effective.

According to 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稅有關問題的通知》) promulgated by the MOF, the SAT and the CSRC on December 31, 2009, individuals' income from transferring at Shanghai Stock Exchange or Shenzhen Stock Exchange the shares of a listed company acquired from the public offerings of the company or from the transfer market shall continuously be exempt from the individual income tax, except for the relevant shares which are subject to sales restriction as defined in the Supplementary 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稅有關問題的補充通知》) jointly issued by the three aforementioned authorities on November 10, 2010.

As at the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-resident individuals on the sale of shares of PRC-resident enterprises listed on overseas stock exchanges (for example, the Stock Exchange).

Corporate investors

According to the EIT Law and its implementation regulations, where a non-PRC resident enterprise has not set up any institutions or establishments in China, or it has done so but its income generated in China is irrelevant to the said institutions or establishments, it shall pay tax on the portion of its income generated in China (including gains from the disposal of shares of PRC resident enterprises) and the enterprise income tax rate is generally 10%. Such income tax may be reduced or eliminated under applicable tax treaties or arrangements.

Stamp duty

In accordance with the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) that was promulgated on June 10, 2021 and came into effect on July 1, 2022, the entities and individuals that conclude taxable certificates, or conduct securities transactions within the territory of the PRC shall be taxpayers of stamp tax, and shall pay stamp tax in accordance with the provisions of this law. Where entities or individuals, outside the territory of the PRC, conclude taxable certificates that are used within the territory of the PRC, they shall pay stamp tax in accordance with the provisions of this law.

Estate duty

As at the date of this prospectus, China currently has not imposed any estate tax.

Hong Kong Taxation

Tax on dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Capital gains and profit tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of the H Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

Estate duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 abolished estate duty in respect of deaths occurring on or after February 11, 2006.

PRINCIPAL TAXATION OF OUR GROUP IN THE PRC

Enterprise income tax

According to the EIT Law, the EIT rate in China is 25% and is in line with the rate applicable to foreign-invested enterprises and foreign enterprises.

According to the Notice on the Implementation of Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (《財政部、稅務總局關於實施小微企業普惠性稅收減免政策的通知》) that was promulgated by the MOF and the SAT on January 17, 2019, for the period from January 1, 2019 to December 31, 2021, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%; and the annual taxable income that is not less than RMB1 million and not more than RMB3 million shall be included in its taxable income at the reduced rate of 50%, with the applicable enterprise income tax rate of 20%.

According to the Administrative Measures for Recognition of High and New-Technology Enterprises (《高新技術企業認定管理辦法》) that was promulgated by the Ministry of Science and Technology of the PRC (中華人民共和國科學技術部), the MOF and the SAT on April 14, 2008, amended on January 29, 2016 and came into effect on January 1, 2016, high and new-tech enterprises can apply for a preferential enterprise income tax rate of 15% in accordance with the EIT Law.

Value-added tax

Pursuant to the Provisional Regulations on VAT of the PRC (《中華人民共和國增值稅暫行條例》) that were amended and came into effect on November 19, 2017, all entities and individuals engaged in sales of goods, provision of processing, repairs and replacement services, or import of goods within the territory of China are subject to VAT. For taxpayers selling or importing goods, except as otherwise provided in the above regulations, the general tax rate is 17%.

Pursuant to the Circular 36 that promulgated by the MOF and the SAT on March 23, 2016 and came into effect on May 1, 2016, upon approval of the State Council, the pilot programme of replacing business tax with VAT will be promoted nationwide from May 1, 2016. All taxpayers of business tax in the construction industry, the real estate industry, the financial industry, and the living service industry are included in the scope of the pilot programme. The payment of business tax will be replaced by the payment of VAT. Pursuant to the Measures for the Implementation of the Pilot Programme of Replacing Business Tax with VAT (《營業稅改徵增值稅試點實施辦法》) that was issued and came into effect at the same time with the aforementioned notice, the tax rates applied to taxpayers for selling services, intangible assets or real estates shall be 17%, 11%, 6% and zero, respectively.

Pursuant to the Notice on Adjusting VAT Rates (《關於調整增值稅稅率的通知》) that was promulgated by the MOF and the SAT on April 4, 2018 and came into effect on May 1, 2018, for taxpayers engaging in taxable sales or import of goods, the previously applicable VAT rates of 17% and 11% are adjusted to 16% and 10%, respectively.

Pursuant to the Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) that was promulgated by the MOF, the SAT and General Administration of Customs of the PRC (中華人民共和國海關總署) on March 20, 2019 and came into effect on April 1, 2019, for taxpayers engaging in taxable sales or import of goods, the previously applicable VAT rates of 16% and 10% are adjusted to 13% and 9%, respectively.

In addition, according to the Announcement on Clarifying the VAT Exemption Policy for Small-scale VAT Taxpayers (《關於明確增值稅小規模納稅人免徵增值稅政策的公告》) promulgated by the MOF and the SAT on March 31, 2021, small-scale VAT taxpayers with monthly sales less than RMB150,000 (inclusive) are exempt from VAT from April 1, 2021 to December 31, 2022.

Foreign Exchange Control in the PRC

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The principal regulations governing foreign currency exchange in the PRC are the Foreign Exchange Control Regulations which was promulgated by the State Council on January 29, 1996, became effective on April 1, 1996 and was subsequently amended on January 14, 1997 and August 5, 2008 and the Regulations on the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) which was promulgated by the PBOC on June 20, 1996 and became effective on July 1, 1996. Pursuant to these regulations and other PRC rules and regulations on currency conversion, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the SAFE or its local counterparts is obtained.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at financial institutions that carries business of foreign exchange settlement and sale by presenting valid documentation. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the Board of Directors or the shareholders' general meetings on the distribution of profits, effect payment from foreign exchange accounts or with the purchased foreign exchange at designated foreign exchange banks.

On December 26, 2014, the SAFE issued the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), pursuant to which a domestic company shall, within 15 working days upon the end of its overseas public offering, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the required materials. Funds raised by a domestic company through overseas listing may be transferred back or deposited overseas, and the use of such funds shall be consistent with those contents mentioned in publicly disclosed documents such as the prospectus.

On February 13, 2015, the SAFE issued the Notice of on Further Simplifying and Improving Policies for the Foreign Exchange Administration of 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》), which came into effect on June 1, 2015. The notice has cancelled the approval of foreign exchange registration under domestic direct investment and the approval of foreign exchange registration under overseas direct investment. Instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its local offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Circular of the SAFE on the Policies for Reforming and Standardizing Management of Foreign Exchange Settlement under the 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》) issued by the SAFE on June 9, 2016, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. The SAFE may adjust the above proportion in due time according to international balance of payments.

THE PRC LEGAL SYSTEM

The PRC legal system is composed of the constitution, laws, administrative regulations, local regulations, separate rules, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomy regulations, separate rules of autonomous regions and international treaties of which the PRC government is a signatory.

Court judgements do not constitute binding precedents, although they may be used for the purpose of judicial reference and guidance.

Pursuant to the Constitution of the PRC (《中華人民共和國憲法》) (hereinafter referred to as the "Constitution", which was promulgated on December 4, 1982 and last amended and came into effect on March 11, 2018) and the Legislation Law of the PRC (《中華人民共和國立法法》), which was adopted on July 1, 2000 and last amended on March 13, 2023 and came into effect on March 15, 2023 (hereinafter referred to as the "Legislation Law"), the NPC and the Standing Committee of the NPC (the "SCNPC") are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws of criminal and civil matters, State institutions and others. The SCNPC is empowered to formulate 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 shall not be in conflict with the principles of such laws.

The State Council is the highest administrative organ of the State, and enacts administrative regulations under the Constitution and laws.

People's congresses of provinces, autonomous regions and municipalities directly under the central government and their respective standing committees may formulate local regulations based on the specific circumstances and requirements of the local administrations, provided that such local regulations shall not be in conflict with the constitution, laws, and administrative regulations.

The ministries, commissions, the PBOC, National Audit Office of the PRC (中華人民共和國審計署) and the State Committee of Supervisory of the PRC (中華人民共和國國家監察委員會) with administrative functions may formulate rules and regulations within the scope of their authority based on the laws and the administrative regulations, decisions and rulings of the State Council. In order to implement the laws, administrative regulations and decisions and rulings of the State Council, provisions of rules and regulations within the jurisdiction are formulated.

People's congresses of cities with districts and their standing committees may enact local regulations based on the specific circumstances and actual needs which shall come into effect upon approval from the respective standing committees of the people's congresses of the provinces and autonomous regions, provided that such local regulations shall not be in conflict with the constitution, laws, and administrative regulations.

People's congresses of autonomous regions may enact autonomy regulations and separate rules in the light of the political, economic and cultural characteristics of the local nationalities, which shall come into effect upon approval by the SCNPC. Adaptations of provisions of laws and administrative regulations may be introduced to the autonomy regulations and separate rules so long as they do not contravene the basic principles of the laws or administrative regulations, and no adaptations shall be made to the specific provisions on national autonomous areas in the constitutions, national region autonomy law and other relevant laws and administrative regulations.

People's governments of provinces, autonomous regions and municipalities directly under the central government may formulate rules according to laws, administrative regulations and relevant local regulations.

The Constitution, enacted by the NPC, is basis of the PRC legal system and has supreme legal authority, and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The hierarchy of laws is higher than that of administrative regulations, local regulations, and rules. The hierarchy of administrative regulations is higher than that of local regulations and rules. The hierarchy of local regulations is higher than that of the rules of the local governments at or below the corresponding level. The hierarchy of the rules enacted by the people's governments of the provinces or autonomous regions is higher than that of the rules enacted by the people's governments of cities and autonomous prefectures with districts within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any local regulation that contravenes the Constitution, laws or administrative regulations, and to annul any autonomous regulation or separate regulation which has been approved by the standing committees of the NPC of the relevant provinces, autonomous regions or municipalities directly under the central government but contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congress of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at the lower level.

According to the Constitution, the authority of the interpretation of laws shall be vested to the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of 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》) passed on June 10, 1981, interpretation on the application of laws and decrees in court trails and the procuratorial work of the procuratorates shall be given by the Supreme People's Court and the Supreme People's Procuratorate of the PRC (中華人民共和國最高人民檢察院), respectively. Interpretation of the laws and decrees unrelated to trials and procuratorial work shall be given by the State Council and the competent ministries and commissions.

In the case that clarification or additional provisions shall be made for the local regulations, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the central government which enacted such regulations shall give the interpretation or formulate the additional provisions. Interpretation on the application of local regulations shall be given by the competent departments under the people's government of the respective provinces, autonomous regions and municipalities directly under the central government.

THE PRC JUDICIAL SYSTEM

Under the Constitution and the Law of the PRC of Organisation of the People's Courts (《中華人民共和國人民法院組織法》) which was enacted on July 5, 1979, implemented on January 1, 1980 and last amended on October 26, 2018 and took effect on January 1, 2019, the judicial system in PRC is made up of the Supreme People's Court, the local people's courts, military courts and other special people's courts.

The local people's courts are comprised of the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may be organised into civil, criminal, and economic tribunals. The intermediate people's courts may be organised into divisions similar to those of the basic people's courts, and may be further organised into other special divisions. The people's courts at lower levels are subject to the supervision of the people's courts at higher levels. The Supreme People's Court is the highest judicial organ of the PRC and it has the power to supervise the administration of justice by the local people's courts at all levels and all special people's courts. The people's procuratorates also have the right to exercise legal supervision over the trial activities of people's courts at same or lower levels.

The people's courts adopt a "second instance as final" appellate system in the trail of the cases. A party to the case concerned may appeal against the judgement and ruling of the first instance by the local people's courts to the people's courts at the next higher level in accordance with the legal procedures. The people's procuratorates may appeal to the people's court at the next higher level in accordance with the legal procedures. In the absence of any appeal by any parties to the case concerned or any appeal by the people's procuratorates within the stipulated period, the judgement and ruling of the first instance by the local people's courts shall be final and legally binding. Judgements and rulings of the second instance of the intermediate people's courts, the higher people's courts and Supreme People's Court and the judgements and rulings of the first instance of the Supreme People's Court shall be the final judgements and rulings. If, however, the Supreme People's Court finds some definite errors in a legally effective judgement, ruling or conciliation statement of the people's court at any level, or if the people's court at a higher level finds such errors in a legally effective judgement, ruling or conciliation statement of the people's court at a lower level, it has the authority to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of all levels of people's courts finds some definite errors in a legally effective judgement, ruling or conciliation statement, and considers that a retrial is preferred, such case shall be submitted to the judicial committee of the people's court at the same level for discussion and decision. For death penalties, except those judged by the Supreme People's Court in accordance with the law, requests shall be submitted to the Supreme People's Court for approval.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (hereinafter referred to as the "PRC Civil Procedure Law"), which was enacted on April 9, 1991 and last amended on September 1, 2023 and became effective on January 1, 2024, sets forth the criteria for instituting a civil case, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or order. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law. Generally, a civil case is initially heard by the people's court located in the defendant's place of domicile. The parties to a contract may, by an express agreement, select a competent court where civil actions may be brought, provided that the competent court has jurisdiction over the plaintiff's or the defendant's place of residence, the place of execution of the contract or the place of performance of the contract, or the object of the action or locations which have substantial connections with the dispute. However, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a stateless person, a foreign enterprise or a foreign organisation is given the equal litigation rights and obligations as a citizen, a legal person or other organisations in the PRC when initiating actions or defending against litigations at a PRC court. Should foreign courts impose restrictions on the litigation rights of the citizens, legal persons or other organisations in the PRC, the PRC courts shall impose reciprocal restrictions on the litigation rights of citizens, enterprises and organisations in that country. A foreign individual, a stateless person, a foreign enterprise or a foreign organisation must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. All parties to a civil action shall perform the legally effective judgements and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement on the party.

A party seeking to enforce a judgement or order of a people's court against a party who is not located within the PRC and does not own any property in the PRC, may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgement or order. In the case of an application or request for recognition and enforcement of a legally effective judgement or order of a foreign court, the people's court shall, after having examined it in accordance with the international treaties entered into or acceded to by the PRC or with the principle of reciprocity and having arrived at the conclusion that it does not contravene the primary principles of the laws of the PRC nor violates its sovereignty, security or social and public interests, recognise the validity of the judgement or order, and, if required, issue a writ of enforcement and enforce it in accordance with the relevant regulations. If the application or request contravenes the primary principles of the laws of the PRC or violates its sovereignty, security or social and public interests, the people's court shall not recognise and enforce it.

THE PRC COMPANY LAW, TRIAL MEASURES FOR ADMINISTRATION AND GUIDELINES FOR THE ARTICLES OF ASSOCIATION

A joint stock limited company incorporated in the PRC seeking a listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") is mainly subject to the following laws and regulations of the PRC:

The PRC Company Law (《中華人民共和國公司法》) (hereinafter referred to as the "Company Law (《公司法》)") was adopted by the Fifth Standing Committee Meeting of the Eighth NPC on December 29, 1993 and came into effect on July 1, 1994, and was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018 with last amendment made on December 29, 2023, and came into effect on July 1, 2024.

The Trial Measures for Administration promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023, are applicable to the overseas securities offering and listing by domestic enterprises.

The Guidelines for the Articles of Association of Listed Companies ("Guidelines for the Articles of Association") issued by the CSRC on December 16, 1997, which was last amended on March 28, 2025 and became effective on the same date, provides guidance on the articles of association. Accordingly, the contents of the Guidelines are set out in the Company's Articles of Association, and the summary of which is set out in the section headed "Appendix V — Summary of the Articles of Association" of this prospectus.

Set out below is a summary of the major provisions of the Company Law, Trial Measures for Administration and Guidelines for the Articles of Association which are applicable to the Company.

General Provisions

"A joint stock limited company" means is a corporate legal person incorporated under the Company Law. The liability of its shareholders is limited to the extent of the shares held by them and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

The promoters shall convene an inaugural meeting of the company established by means of stock floatation within 30 days after the share capital has been paid-up, and shall notified all subscribers the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only the presence of promoters and subscribers holding more than 50% of the total number of shares. Powers to be exercised at the inaugural meeting include but not limited to the adoption of articles of association and the election of members of the Board of Directors and the Supervisory Committee of a company. The aforesaid matters shall be resolved by more than 50% of the votes to be casted by subscribers presented at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the Board of Directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

Registered Capital

Under the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or with an intellectual property rights or land use rights.

The Trial Measures for Administration stipulates that fund raising and dividend distributions of a domestic enterprise may be made in foreign currencies or RMB. According to the Trial Measures for Administration, shareholders holding domestic unlisted shares of a domestic enterprise directly listed overseas and are applying for the conversion of the domestic unlisted shares held by them into overseas listed shares and to be listed for trading at overseas stock exchanges, shall comply with the relevant requirements of the CSRC, and file with the CSRC through a domestic enterprise. The term "domestic unlisted shares" mentioned in the previous paragraph refers to shares that have been issued by domestic enterprises but are not listed or traded on any domestic stock exchange. Domestic unlisted shares should be registered and held centrally at domestic securities registration and clearing institutions. The registration and settlement arrangements for overseas listed shares shall be subject to the regulations of the overseas listing jurisdiction.

Under the Company Law, a joint stock limited company shall maintain a register of shareholders, stating the following matters: (1) the name and domicile of a shareholder; (2) class and number of shares subscribed for by each shareholder; (3) the serial number of the shares if the shares are issued in paper form; and (4) the date on which each shareholder acquired the shares.

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 end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders. If no par value stock is issued, the proceeds from the issuance of the new stocks shall be included into the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce its prospectus.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

(i) To prepare a balance sheet and a property list;

(ii) A company makes a resolution at shareholders' general meeting to reduce its registered capital;

(iii) A company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital;

(iv) The creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice; and

(v) When a company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the articles of association of a joint stock limited company.

Repurchase of shares

Under the Company Law, a company shall not acquire its own shares. Except for any following circumstances:

(i) reducing the registered capital;

(ii) merging with other company that holds the shares of the company;

(iii) using the shares for employee stocks plan or equity incentives;

(iv) with respect to shareholders voting against any resolution adopted at the shareholders' general meeting on the merger or division of the company, the right to demand the company to acquire the shares held by them;

(v) using the shares for the conversion of convertible corporate bonds issued by the listed company; and

(vi) as required for maintenance of the corporate value and shareholders' rights and interests of a listed company.

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the shareholders' general meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the authorization from the shareholders' general meeting.

Following the purchase of a company's shares by a company in accordance with the above provisions, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the total numbers of share of the company held by a company shall not exceed 10% of the total issued shares of a company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder should effect a transfer of his shares on lawfully established securities exchange or by any other means as required by the State Council. The stocks shall be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of shareholders. No changes of registration in the share register provided in the foregoing requirement shall be effected during a period of 20 days prior to the convening of shareholder's general meeting or 5 days prior to the record date for a company's distribution of dividends. However, if any law provides otherwise for the registration of changes in the register of members of a listed company, such provisions shall prevail.

Under the Company Law, shares issued by a company prior to the listed shares shall not be transferred within one year from the date on which the shares of a company are listed on a securities exchange. Directors, supervisors and senior management of a company shall declare to a company their shareholdings in a company and any changes of such shareholdings, and the shares transferred each year during their term of office as determined when they assume the posts shall not exceed 25% of the total shares they hold in a company. Shares of a company held by its directors, supervisors and senior management shall not be transferred within one year from the date of a company's listing on a securities exchange, nor within six months after their resignation from their positions with a company.

Shareholders

Under the Company Law and the Guidelines for the Articles of Association, the rights of a shareholder of ordinary shares of a company include:

(i) to receive dividends and other forms of distributions in proportion to their shareholdings;

(ii) to request, convene, preside over, attend or appoint a proxy to participate in the shareholders' general meeting in accordance with the law, and exercise the corresponding voting rights;

(iii) to supervise and manage a company's business, and to present proposals or to raise inquiries;

(iv) to transfer, grant or pledge shares held by them in accordance with laws, administrative regulations and the provisions of the Articles of Association;

(v) to inspect the Articles of Association, register of members, stubs of corporate bonds, minutes of general meetings, resolutions of the Board, resolutions of the Supervisory Committee, financial and accounting reports;

(vi) in the event of the winding-up or liquidation of a company, to participate in the distribution of remaining property of a company in proportion to the number of shares held;

(vii) to require the company to purchase its shares in the event that a shareholder disagrees with the resolution on merger or division of the company approved at a shareholders' general meeting; and

(viii) other rights as stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

The obligations of a shareholder of ordinary shares of a company include:

(i) to comply with the Articles of Association;

(ii) to pay subscription money according to the number of shares subscribed and the method of subscription;

(iii) not to abuse their shareholders' rights to damage the interests of a company or other shareholders; not to abuse the independent legal person status of a company and the limited liability of shareholders to damage the interests of the creditors of a company; and

(iv) other obligations conferred by laws, administrative regulations and the Articles of Association.

Shareholder's General Meetings

Under the Company Law, the shareholders' general meeting of a joint stock limited company is made up of all shareholders. The shareholders' general meeting is the organ of authority of a company, which exercises the following functions and powers:

(i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;

(ii) to examine and approve reports of the Board of Directors;

(iii) to examine and approve reports of the Supervisory Committee;

(iv) to examine and approve a company's profit distribution plans and loss recovery plans;

(v) to resolve on the increase or reduction of a company's registered capital;

(vi) to resolve on the issuance of corporate bonds;

(vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company;

(viii) to amend the a company's Articles of Association; and

(ix) other functions and powers specified in provision of the Articles of Association.

Under the Company Law, annual shareholders' general meetings are required to be held once every year. An extraordinary shareholders' general meeting is required to be held within two months after the occurrence of any of the following circumstances:

(i) the number of directors is less than the number stipulated in the company Law or less than two-thirds of the number specified in the Articles of Association;

(ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital;

(iii) shareholders individually or jointly holding 10% or more of the company's shares request;

(iv) when deemed necessary by the Board of Directors;

(v) the Supervisory Committee proposes to convene the 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 of Directors. In the event that the chairman is incapable of performing or not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the Board of Directors is incapable of performing or is not performing its duties to convene the shareholders' general meeting, the Supervisory Committee shall convene and preside over shareholders' general meeting in a timely manner. If the Supervisory Committee fails to convene and preside over shareholders' general meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over shareholders' general meeting.

Notice of shareholders' general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders' general meeting. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' general meeting.

Under the Company Law, shareholders present at a shareholders' general meeting have one vote for each share they hold, while shares held by a company are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting in accordance with the provisions of the Articles of Association or the resolutions of the shareholders' general meeting. Under the accumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the shareholders' general meeting, and shareholders may consolidate their voting rights when casting a vote.

Under the Company Law, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the shareholders' general meeting. Matters relating to merger, division or dissolution of a company, 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 shall consist of more than three members. The term of office of a director shall be stipulated in the Articles of Association, but 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 noticed 10 days before the meeting for every meeting. The Board exercises the following functions and powers:

(i) to convene shareholder's general meetings and report its work to the shareholder's general meetings;

(ii) to implement the resolutions of the shareholder's general meeting;

(iii) to decide on a company's business plans and investment plans;

(iv) to formulate a company's annual financial budget and final accounts;

(v) to formulate a company's profit distribution plan and loss recovery plan;

(vi) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds;

(vii) to formulate plans for merger, division, dissolution or change of corporate form of a company;

(viii) to decide on the internal management structure of a company;

(ix) to decide on the appointment or dismissal of the manager of a company and their remuneration;

(x) to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as their remuneration;

(xi) to formulate a company's basic management system;

(xii) other functions and powers specified in the Articles of Association or granted by the shareholders' general meeting.

Under the Company Law, a person may not serve as a director of a company if he is:

(i) a person without capacity or with restricted capacity;

(ii) a person who has been sentenced to criminal punishment due to corruption, bribery, infringement of property, misappropriation of property or destruction of the socialist market economic order; or a person who has been deprived of his political rights due to a crime, where less than five years have elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not 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 entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

(iv) a person who was a legal representative of a company or an enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who was personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and

(v) a person being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due 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 the following functions and powers (including but not limited to):

(i) to preside over shareholders' general meetings and convene and preside over board meetings;

(ii) to cause and check the implementation of the resolutions of the Board of Directors; and

(iii) to exercise functions and powers conferred by the Board of Directors.

Supervisors

Under the Company Law, a joint stock limited company shall have a supervisory committee composed of not less than three members. The supervisory committee shall comprise shareholder representatives and an appropriate proportion of the company's employee representatives, of which the proportion of employee representatives shall not be less than one-third and the specific proportion shall be stipulated in the Articles of Association. Employee representatives of the Supervisory Committee shall be democratically elected by the company's employees at the employee representative assembly, employee general meeting or otherwise. Directors or senior management of the company may not act concurrently as supervisors.

The Supervisory Committee exercises the following functions and powers:

(i) to examine the company's financial affairs;

(ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the Articles of Association or resolutions of shareholders' general meetings;

(iii) to demand rectification by a director or senior management when the acts of such persons are harmful to the company's interest;

(iv) to propose the convening of extraordinary general meetings, and to convene and preside over shareholders' general meetings when the Board of Directors fails to perform the duty of convening and presiding over shareholders' general meetings under the Company Law;

(v) to submit proposals to the shareholders' general meeting;

(vi) to initiate legal proceedings against directors and senior management in accordance with the Company Law; and

(vii) other functions and powers specified in the Articles of Association.

Managers and Senior Management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the Board of Directors. The manager is accountable to the Board of Directors and may exercise the following functions and powers:

(i) to be in charge of the production, operation and management of the company and to organize the implementation of the resolutions of the Board of Directors;

(ii) to organize the implementation of the company's annual business plans and investment plans;

(iii) to formulate plans for the establishment of the company's internal management structure;

(iv) to draft the company's basic management system;

(v) to formulate the basic rules and regulations of the company;

(vi) to propose the appointment or dismissal of the company's deputy manager and financial controller;

(vii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors; and

(viii) to exercise other functions and powers conferred by the Articles of Association and the Board of Directors.

According to the Company Law, senior management shall refer to the manager, deputy manager, financial controller, secretary of the Board of Directors and other personnel as stipulated in the Articles of Association of 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 regulations of the financial department of the State Council. At the end of each fiscal year, the company shall prepare a 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 regulations of the financial 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 general meeting of shareholders. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its profits into its statutory reserve fund. The Company can no longer withdraw statutory reserve fund if it has accumulated to more than 50% of the registered capital. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for the losses before making allocations to the statutory reserve in accordance with the preceding paragraph. After the company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the general meeting or the shareholders' general meeting.

A joint stock limited company may distribute profits in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with the provisions of the Articles of Association of the joint stock limited company.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

The reserve fund of the company shall be used to make up losses of the company, expand the production and operation of the company or increase the capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounts other than those provided by law.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of an accounting firm responsible for the company's auditing shall be determined by a shareholders' general meeting or the Board of Directors in accordance with the Articles of Association. The accounting firm should be allowed to make representations when the shareholders' general meeting or the Board of Directors conduct a vote on the dismissal of the accounting firm. The Company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

Profit Distribution

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders, directors, supervisors, and senior management personnel who are responsible for causing losses to the company shall bear compensation liability.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

(i) the term of business 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 or 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 business license is ordered to be closed or revoked in accordance with laws; and

(v) where the company encounters serious difficulties in its operation and management and its continuance shall cause a significant loss in the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders' voting rights of the company may present a petition to a people's court for the dissolution of the company with the support of the judgment.

If any of the situations as mentioned in the preceding paragraph arises, the company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company is dissolved in accordance with sub-paragraph (i), (ii) above, it may carry on its existence by amending its Articles of Association or upon a resolution of the shareholders' general meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, a liquidation committee shall be established and the liquidation shall commence within 15 days after the occurrence of an event of dissolution. The liquidation committee shall be composed of directors, unless it is otherwise provided for in the Company's Articles of Association or it is otherwise elected by the shareholders' general meeting. If a liquidation committee is not established or fails to carry out the liquidation after its formation within the stipulated period to conduct liquidation, any interested party may apply to the people's court to appoint relevant personnel to form a liquidation committee to conduct liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee shall exercise the following functions and powers during the liquidation period:

(i) to liquidate the company's property and respectively prepare balance sheet and list of property;

(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 liquidate claims and debts;

(vi) to deal with the remaining property of the company after paying off debts; and

(vii) to participate in civil litigations on behalf of the company.

The remaining property of the company after payment of liquidation expenses, employees' wages, social insurance premiums and statutory compensation, payment of outstanding taxes, and settlement of the company's debts shall be distributed to the joint stock companies in proportion to the shares held by the shareholders.

During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

Liquidation Committee

If the liquidation committee, having thoroughly examined the company's property 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 to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation committee shall hand over the affairs of the liquidation to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the shareholders' general meeting or the people's court for confirmation, and submit to the company registration authority to apply for cancelation of the company's registration.

Members of the liquidation committee performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation committee who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation committee who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Overseas Listing

According to the Trial Measures for Administration, a PRC domestic company seeking an overseas listing shall submit an application to the CSRC in accordance with the administrative filing procedures as required by the Trial Measures for Administration.

THE PRC SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issuance and trading of our shares and disclosure of information. In October 1992, the State Council established the Securities Committee of the State Council (國務院證券委員會) and the CSRC. The Securities Committee of the State Council is 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 is the regulatory organ of the Securities Committee of the State Council and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. On March 29, 1998, the State Council consolidated the aforementioned two departments and reformed the CSRC.

On April 22, 1993, the Provisional Regulations Concerning the Issuance and Trading of Shares (《股票發行與交易管理暫行條例》) were promulgated by the State Council to govern the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, settling and transfer of listed equity securities, as well as the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

On December 25, 1995, the State Council promulgated the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These regulations principally govern the issuance, subscription, trading and declaration of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

The PRC Securities Law took effect on July 1, 1999 and was revised as at August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. It was the first national securities law in the PRC, and is divided into 14 chapters and 226 articles regulating, among other matters, the issuance and trading of securities, takeovers of listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises must comply with the relevant regulations of the State Council to, directly or indirectly, issue securities or lists its securities to be traded outside the PRC. Currently, the issuance and trading of foreign issued shares (including H share) are principally governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "Arbitration Law") was passed on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. It is applicable to contract disputes and other property disputes between natural persons, legal persons and other organizations where the parties have entered into a written agreement to refer the matter to arbitration before an arbitration committee constituted in accordance with the Arbitration Law. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association (中國仲裁協會) of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case, unless the arbitration agreement is null and void.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award made by the arbitration body shall be final and conclusive and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. The people's court shall enforce the arbitral award upon receipt of the application. A people's court may refuse to enforce an arbitral award made by an arbitration tribunal after verification by collegial bench formed by the people's court if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal or arbitration proceedings, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement).

A party seeking to enforce an arbitral award of PRC Arbitration Tribunal against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or participated in by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》, the "New York Convention") adopted on June 10, 1958 pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the State to which the arbitration for enforcement is made. At the time of the PRC's accession to the New York Convention, the SCNPC declared that (i) the New York Convention will only be applied to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (ii) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

According to 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 became 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》) (Articles 1 and 4 became effective on November 27, 2020, and Articles 2 and 3 became effective on May 19, 2021) promulgated on November 26, 2020, the courts of Hong Kong agree to enforce the awards made pursuant to the Arbitration Law by the arbitral authorities in the Mainland (the list to be supplied by the Legislative Affairs Office of the State Council (國務院法制辦公室) through the Hong Kong and Macao Affairs Office of the State Council (國務院港澳事務辦公室)) and the people's courts of the Mainland agree to enforce the awards made in the Hong Kong pursuant to the Arbitration Ordinance of the Hong Kong. If the people's courts of the Chinese Mainland find that the enforcement of awards made by the Hong Kong arbitral bodies in the Chinese Mainland will be against public interests of the Mainland, or the courts of Hong Kong decide that the enforcement of the arbitral awards in Hong Kong will be against public policies of Hong Kong, the awards may not be enforced.

JUDICIAL JUDGEMENT AND ENFORCEMENT

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated on January 25, 2024 and implemented on January 29, 2024 by the Supreme People's Court, parties involved may apply to the courts of the Chinese Mainland or the Hong Kong Special Administrative Region for the recognition and enforcement of valid judgments rendered by the people's courts of the Chinese Mainland and the courts of the Hong Kong Special Administrative Region in civil and commercial matters or in civil damages awards arising from criminal cases, in accordance with this Arrangement.

This appendix is mainly to outline the Articles of Association of the Company for prospective investors. Since this section contains only a summary, it may not include all information that is important to prospective investors.

GENERAL

The Company is a joint-stock limited company with perpetual succession.

A shareholder shall be liable for the Company in proportion to the shares it has subscribed from the Company, while the Company shall be liable for the debts of the Company with all its properties.

Since the effective date of the Articles of Association of the Company, such Articles will become legal documents to regulate the organization and behaviors of the Company, the rights and obligations of shareholders and the Company and their relationship between the Company and shareholders, or between shareholders, which will also have binding effects on the Company, its shareholders, directors, and executives. Pursuant to the above, a shareholder may file a lawsuit to another shareholder, a shareholder may file a lawsuit to a director or executive of the Company, a shareholder may file a lawsuit to the Company, while the Company may file a lawsuit to a shareholder, director or executive.

BUSINESS SCOPE

As lawfully registered, the Company's business scope includes: production, development and servicing of various electrical-mechanical integrated products, automatic control, motion control, drive unit, computer applied software, servo hydraulic control and system integration; sale of self-made products; autonomous and proxy operation of the import and export of various goods and technologies. (Subject to approval) General projects: manufacturing of industrial robots; research and development of intelligent robots; development of AI applied software; industrial Internet information service; manufacturing of electronic components (autonomous operation according to business license, except for the projects subject to approval).

SHARES

Issuance of Shares

The shares of the Company will be issued in open, fair and just manner, with equal rights for each share of the same class. For the same class of shares issued in the same time, each share is issued in the same conditions and price; and each subscriber has paid the same price for each share subscribed.

Share Increase/Decrease and Repurchase

Upon the demand of operation and development, under laws and regulations, with resolution of general meeting of shareholders, the Company may increase share capital by means of:

(1) issuing shares to unspecific objects;

(2) issuing shares to specific objects;

(3) distributing bonus shares to existing shareholders;

(4) converting provident fund into share capital;

(5) other means pursuant to laws, administrative regulations, CSRC rules and the securities regulatory rules of the place where the Company's shares are listed.

The Company shall not repurchase its own shares, unless in any of the following events:

(1) decrease of its registered capital;

(2) merger with another firm holding its shares;

(3) use of company shares in staff shareholding scheme or equity incentives;

(4) Shareholders disagree with the resolution of merger or spin-off at general meeting, and require the Company to repurchase its shares;

(5) conversion of company shares into convertible bonds of the Company;

(6) required to maintain the company value and shareholder's interests.

The Company may repurchase its shares by public centralized trading, or other means recognized by laws, administrative regulations, CSRC rules and other securities regulatory rules of the place where the Company's shares are listed. To repurchase its shares in event (3), (5) or (6) above, the Company shall repurchase by public centralized trading.

To repurchase its shares in event (1) or (2) above, the Company shall obtain a resolution at general meeting; to repurchase in event (3), (5) or (6) above, the Company shall, as required above or approved by general meeting, obtain a resolution of Board meeting at which more than 2/3 directors are present.

Upon repurchase in event (1) above, the shares shall be deregistered within 10 days from repurchase; in event (2) or (4) above, the shares shall be transferred or deregistered within 6 months; in event (3), (5) or (6), the shares held by the Company shall not exceed 10% of its shares issued, and such shares shall be transferred or deregistered within 3 years, unless otherwise required by laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed concerning share repurchase.

Transfer of Shares

Company shares shall be transferred lawfully.

All H shares shall be transferred in general or common form or any other written transfer instrument in the format acceptable to the Board (including the Standard Form of Transfer defined by HKEX from time to time, or Transfer Form); such transfer instrument can only be effective with signature or company seal (if the transferor or transferee is a firm). The transfer instrument may be signed by signature or photocopy, if the transferor or transferee is a recognized clearing house defined by relevant provisions effective from time to time under HK laws ("Recognized Clearing House") or its agent. All transfer instruments shall be deposited with the legal address of the Company or other address designated from time to time by the Board.

The Company cannot accept any of its shares is subject to pledge.

The shares issued publicly by the Company before issuance of its A shares shall not be transferred within 1 year from the date of listing of its A shares on Shenzhen Stock Exchange.

A director or executive of the Company shall declare its holding of Company shares and the change to the Company, and during its term of office the number of shares transferred every year shall not exceed 25% of the total Company shares of the same class it holds; such shares shall not be transferred within 1 year from the listing of Company shares. A director or executive shall not transfer any of Company shares it holds within half a year from its leaving the Company.

When a director or executive holding more than 5% shares of the Company sells out the Company shares or other equity securities it holds within 6 months from buy in, or buys back within 6 months from sellout, the proceeds shall be recovered by the Board, in the ownership of the Company. However, the exceptions include an underwriter who retains more than 5% shares of the Company after initial public offering, and other events defined by CSRC. There may be other provisions according to laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed.

The shares or other equity securities held by above director, executive or individual shareholder shall include the shares or other equity securities held by its spouse, parents or children or held by them using other's account.

If the Board fails to perform according to above provisions, shareholders may require the Board to perform within 30 days. If the Board fails to perform before deadline, shareholders may file to the people's court in the name of shareholders, for the benefit of the Company.

If the Board fails to perform according to above provisions, the director who is responsible for such failure shall be jointly and severally liable at law.

SHAREHOLDERS AND GENERAL MEETING

General Provisions on Shareholders

The Company shall establish a register of shares based on the vouchers provided by the securities registering and clearing institution, and the register shall serve as sufficient evidence to prove the shareholders hold the shares of the Company.

The original of H shares register is deposited in Hong Kong, available to shareholders for search, provided that the Company may suspend registration of shareholders under applicable laws, regulations and local listing rules. Any shareholder named in the H shares register or any person requiring to be named in the H shares register, who has lost its shares, may apply to the Company for reissuing shares to cover the lost shares. A holder of overseas listed shares, who has lost its shares, may apply for reissuing shares according to the laws, stock exchange rules or other requirements of the place where the original of such overseas shares register is deposited.

A shareholder has the rights and obligations according to the class of shares it holds; the shareholders hold the same class of shares have the equal rights and obligations.

The Company shall sign a securities registration and service agreement with the securities registering and clearing institution, to regularly check significant shareholders information and significant shareholders shareholding change (including equity pledge), and timely understand the Company's shareholding structure.

When the Company intends to hold a general meeting, distribute dividends, settle accounts or engage in other business that requires to identify shareholders, the caller of Board meeting or general meeting shall determine the date of shares registration. The shareholders named in the shares register after closing of the registration date shall be entitled shareholders.

A shareholder of the Company is entitled to:

(1) obtain dividends and other forms of profit distribution in proportion to its shareholding;

(2) lawfully require to hold, call on, chair, participate or appoint its representative to participate and vote at general meeting;

(3) supervise the operation of the Company, give advice or inquiry;

(4) transfer, gift or pledge the Company shares it holds under laws, regulations and the Articles of Association;

(5) check or replicate the Articles of Association, shares register, general meeting minutes, Board meeting resolutions, financial and accounting reports, and the books of accounts and accounting vouchers accessible to eligible shareholders;

(6) enjoy distribution of remaining properties of the Company according to its shareholding when the Company is terminated or liquidated;

(7) (being the shareholder who disagrees with the resolution of merger or spin-off at general meeting) require the Company to repurchase its shares;

(8) other rights under the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

A shareholder requiring to check or replicate some material of the Company shall comply with the Company Law, the Securities Law, and other laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed, and shall file a written request to the Company, specifying its purpose, and provide documents in writing to prove the number and class of shares it holds. After verification of the shareholder's identity and purpose, the Company may provide the required material to the shareholder under relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

A shareholder may require local people's court to invalidate any resolution at general meeting or Board meeting that breaks the laws and administrative regulations.

If the calling process or voting manner of general meeting or Board meeting breaks the laws, administrative regulations or Articles of Association, or the content of a resolution breaks the Articles of Association, then the shareholder may require local people's court to withdraw such meeting or resolution within 60 days from the date of resolution, unless there is only slight flaw in the calling process or voting manner, without substantial influence on the resolution.

For any dispute on the effectiveness of general meeting resolution, the Board, the shareholders and other parties shall timely file a litigation to the local people's court. Before the local court decides or determines to withdraw the resolution, the parties shall perform the resolution. The Company, its directors and executives shall perform their duties practically, to ensure normal operation of the Company.

If the local court decides or determines on some issue, the Company shall perform its obligation of information disclosure under the laws, administrative regulations, the CSRC rules and stock exchange rules, fully describing the influence, and shall actively cooperate in the performance after the decision or determination becomes effective. For correction of previous issue, the Company shall timely handle and perform its obligation of information disclosure.

The resolution at general meeting or Board meeting is ineffective in any of the following events:

(1) the resolution is made without holding of general meeting or Board meeting;

(2) there is no voting on the motion to be resolved at general meeting or Board meeting;

(3) the number of representatives present at meeting or the number of voting rights represented by them falls short of that required by the Company Law, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association;

(4) the number of representatives present at meeting voting for the resolution or the number of voting rights represented by them falls short of that required by the Company Law, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If a director or executive on duty, who is not a member of Audit Committee, breaks the laws, administrative regulations or the Articles of Association, causing loss to the Company, then the shareholder who holds more than 1% shares of the Company singly or in aggregate for more than 180 consecutive days may require in writing the Audit Committee to file a litigation to the local court; if a member of Audit Committee on duty breaks the laws, administrative regulations or the Articles of Association, causing loss to the Company, then the foregoing shareholder may require in writing the Board of Directors to file a litigation to the local court.

The foregoing shareholder may directly file a litigation to the local court in its own name for the benefit of the Company, if the Audit Committee or the Board refuses to file a litigation after receiving the request in writing from the foregoing shareholder or fails to file a litigation within 30 days after receiving the request, or if in emergency the failure to immediately file a litigation may cause irreparable damages to the Company's interests.

If other persons infringe on the Company's legitimate rights and benefits, causing loss to the Company, then the shareholder holding over 1% shares of the Company singly or in aggregate for more than 180 consecutive days may file a litigation to local court according to above two paragraphs.

If a director, supervisor or executive of a wholly owned subsidiary of the Company on duty breaks the laws, administrative regulations or the Articles of Association, causing loss to the Company, or if other persons infringe on the wholly owned subsidiary's legitimate rights and benefits, causing loss to such subsidiary, then the shareholder holding over 1% shares of the Company singly or in aggregate for more than 180 consecutive days may require in writing the Board of Supervisors or the Board of Directors of such subsidiary to file a litigation or file a litigation directly in its own name, under Section 189.1 to 189.3 of the Company Law. If there is no Board of Supervisors or Supervisor in the wholly owned subsidiary with Audit Committee, the foregoing provisions shall prevail.

If a director or executive breaks the laws, administrative regulations or the Articles of Association, against the interests of shareholders, then shareholders may file a litigation to local court.

A shareholder of the Company shall:

(1) obey the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(2) contribute to the share capital according to the number of shares subscribed and the method of subscription;

(3) not withdraw from share capital, unless otherwise required by the laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed;

(4) not misuse the shareholder's rights to harm the Company or other shareholders' interests; not misuse the Company's legal person status and the shareholder's limited liability to harm the interests of the Company's creditors;

(5) other obligations under the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the misuse of shareholder's rights causes loss to the Company or other shareholders, then the misusing shareholder shall be duly liable for compensation. If the misuse of Company's legal person status and shareholder's limited liability to evade debts seriously damages the interests of the Company's creditors, then the misusing shareholder shall be jointly and severally liable for Company debts.

Controlling Shareholder and Beneficial Owner

The controlling shareholder or beneficial owner of the Company shall exercise its rights, perform its obligations and maintain the listed company's interests, under the laws, regulations, the CSRC rules, the SZSE rules and other local listing rules.

The controlling shareholder or beneficial owner of the Company shall:

(1) lawfully exercise shareholder's rights, not misuse control or utilize the connection to harm the Company or other shareholder's legitimate rights and benefits;

(2) strictly perform its public statements and various commitments, not alter or exempt bilaterally;

(3) strictly perform its obligation of information disclosure as required, actively cooperate with the Company in disclosure, and timely notify the Company of any material event that has occurred or is going to occur;

(4) not occupy the Company's funds in any manner;

(5) not force, direct or require the Company and related personnel to provide guarantee illegally;

(6) not profiteer from the Company's nonpublic material information, not in any form divulge any nonpublic material information relating to the Company, and not engage in insider trading, short-term trading, market manipulation or other illegal business;

(7) not harm the Company or other shareholder's legitimate rights and benefits through unfair connected transaction, profit distribution, assets reorganization, external investment among others;

(8) ensure the assets integrity, staff independence, financial independence, institutional independence and business independence of the Company, and shall not influence the independence of the Company in any form;

(9) otherwise required by the laws, administrative regulations, the CSRC rules, the SZSE rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The controlling shareholder or beneficial owner of the Company who does not act as director but does actually perform company duties shall perform the obligation of sincerity and the obligation of diligence as director contained in the Articles of Association.

The controlling shareholder or beneficial owner of the Company who has instructed a director or executive to harm the Company or other shareholder's interests shall be jointly and severally liable with such director or executive.

The controlling shareholder or beneficial owner who pledges the Company shares in its hands or in its beneficial ownership shall maintain the stability of Company control and operation.

The controlling shareholder or beneficial owner who transfers the Company shares in its hands shall comply with its commitments to restricted shares transfer and the restrictive provisions for share transfer under the laws, administrative regulations, the CSRC rules, the SZSE rules and the securities regulatory rules of the place where the Company's shares are listed.

General Provisions for General Meeting

The general meeting is composed of entire shareholders. The general meeting as the authority of the Company has the power to:

(1) elect and replace a director who is not representative of employees, and determine the director's remuneration;

(2) consider and approve the Board's report;

(3) consider and approve the Company's profit distribution plan and loss makeup plan;

(4) resolve on the Company's increase or decrease of registered capital;

(5) resolve on the issuance of Company bonds;

(6) resolve on the merger, spin-off, dissolution, liquidation or change of nature of the Company;

(7) modify the Articles of Association of the Company;

(8) resolve on the engagement, disengagement of the CPA firm;

(9) consider and approve the transaction issue under Section 47, the guarantee issue under Section 48, and the financial subsidy issue under Section 49 of the Articles of Association;

(10) consider the fact that the Company's purchase or sale of material assets within one year exceeds 30% of its latest audited total assets;

(11) consider any connected transaction between the Company and the connected party in the value of more than RMB30 million and accounting for more than 5% of the absolute value of the latest audited net assets (except the Company obtains cash gifts or provides guarantee);

(12) consider and approve the change of fundraising purpose;

(13) consider the equity incentive plan and staff shareholding plan;

(14) consider other issues to be decided by general meeting under the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The general meeting may authorize the Board of Directors to resolve on the issuance of Company bonds.

General meeting shall include annual general meeting and extraordinary general meeting. The Company shall hold 1 annual general meeting per year, within 6 months after the ending of previous financial year.

The Company shall hold extraordinary general meeting within 2 months in any of the following events:

(1) the number of directors falls short of 2/3 of the quorum under the Articles of Association;

(2) the uncompensated loss amounts to 1/3 of the Company's paid-in capital;

(3) the shareholder holding more than 10% shares of the Company singly or in aggregate requires;

(4) the Board believes it's necessary;

(5) the Audit Committee proposes a holding of meeting;

(6) otherwise under the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The general meeting will be held on site. Otherwise, it may be held online by telecommunication at the same time. The Company will offer shareholders the access to online voting, so the shareholders can take part in general meeting more conveniently.

Call for General Meeting

The Board of Directors shall timely call a general meeting within specific time.

With consent of a majority of independent directors, the independent directors may propose an extraordinary general meeting to the Board. In face of such proposal, the Board shall give a reply in writing within 10 days, saying yes or no, under the laws, regulations and the Articles of Association.

Saying yes, the Board will issue a notice of general meeting within 5 days from the resolution of Board; saying no, the Board will issue a statement to specify the reason.

The Audit Committee may propose in writing an extraordinary general meeting to the Board. In face of such proposal, the Board shall give a reply in writing within 10 days, saying yes or no, under the laws, administrative regulations and the Articles of Association.

Saying yes, the Board will issue a notice of general meeting within 5 days from the resolution of Board. Any difference from original proposal shall be with the consent of Audit Committee.

Saying no or failing to reply within 10 days from proposal shall be deemed as the Board's inability to perform or failure to perform its duties to call a general meeting, then the Audit Committee may call and chair a general meeting on its own.

The shareholder holding more than 10% shares of the Company singly or in aggregate may request in writing an extraordinary general meeting to the Board. In face of such request, the Board shall give a reply in writing within 10 days, saying yes or no, under the laws, administrative regulations and the Articles of Association.

Saying yes, the Board will issue a notice of general meeting within 5 days from the resolution of Board. Any difference from original request shall be with the consent of relevant shareholders.

The Board saying no or failing to reply within 10 days from request, the shareholder holding more than 10% shares of the Company singly or in aggregate may request in writing an extraordinary general meeting to the Audit Committee.

Saying yes, the Audit Committee will issue a notice of general meeting within 5 days from the request. Any difference from original request shall be with the consent of relevant shareholders.

Audit Committee failing to issue a notice of general meeting within specific time shall be deemed as its failure to call or chair a general meeting, then the shareholder holding more than 10% shares of the Company singly or in aggregate for over 90 consecutive days may call and chair a general meeting on its own.

If the Audit Committee or the shareholder decides to call a general meeting on its own, it shall send a notice in writing to the Board, while filing to Shenzhen Stock Exchange.

Before the decision is announced, the percentage of shareholders calling general meeting shall not be lower than 10%.

When issuing the notice of general meeting or announcing the decision, the Audit Committee or the calling shareholders shall submit relevant certificates to Shenzhen Stock Exchange.

For a general meeting called by the Audit Committee or shareholders on its/their own, the Board and its secretary shall cooperate. The Board shall offer the shares register at the date of share registration.

The Company shall be liable for all the costs required for a general meeting called by the Audit Committee or shareholders on its/their own.

Proposal and Notice of General Meeting

When the Company intends to hold a general meeting, the Board, the Audit Committee or the shareholder holding more than 1% shares of the Company singly or in aggregate may propose to the Company. The shareholder holding more than 1% shares of the Company singly or in aggregate may propose temporarily to the caller of meeting 10 days prior to the holding of general meeting. The caller shall issue an additional notice of general meeting within 2 days from proposal, announcing the content of such temporary proposal, and submit the proposal to general meeting for review, except such proposal breaks the laws, administrative regulations or the Articles of Association or falls out of the terms of reference of the general meeting. Otherwise, after the caller issues the notice of general meeting, the proposal specified in the notice shall not be modified nor shall new proposal be added. Any proposal not specified in the notice or not meeting the Articles of Association shall not be subject to voting or resolution.

The caller shall send a notice by announcing to all shareholders 21 days prior to the holding of annual general meeting, or 15 days prior to the holding of extraordinary general meeting.

A notice of general meeting shall include:

(1) time, place and period of meeting;

(2) matters and proposals to be submitted to the meeting;

(3) explicit wording: every ordinary shareholders may attend the general meeting, and appoint its proxy in writing for presence and voting, and such proxy is not necessarily a shareholder of the Company;

(4) the date of shares registration for the shareholders who may attend the general meeting;

(5) contact person's name and telephone number;

(6) time and process of online voting or otherwise.

After notice is issued, the site of meeting shall not be changed without a justifiable reason. To change the site of meeting, the caller shall issue a notice specifying the reason 2 business days before the meeting.

Holding of General Meeting

All ordinary shareholders named in the shares register on the date of shares registration or their proxies may attend the general meeting, and exercise their voting rights under the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. A shareholder may attend and vote by person or by proxy at the general meeting.

If the general meeting requires directors and executives to be present, then directors and executives shall be present and take inquiries from shareholders.

The general meeting is chaired by the chairman of Board. When the chairman is unable or fails to perform its duties, then vice chairman shall chair the general meeting. When the vice chairman is unable or fails to perform its duties, then a majority of directors shall jointly elect a director to chair the general meeting. If the Audit Committee calls a general meeting on its own, then the caller shall chair the general meeting. When the caller is unable or fails to perform its duties, a majority of members of the Audit Committee shall jointly elect a member of the Audit Committee to chair the general meeting. The general meeting called by a shareholder on its own shall be chaired by the caller or its proxy. When holding a general meeting, if the chair of meeting breaks the proceeding rules and makes the general meeting unable to continue, then with consent of present shareholders representing a majority of voting rights, the general meeting may elect one person to chair the meeting and continue the meeting.

The Company develops the Proceeding Rules of General Meeting, to specify the call, holding and voting process of general meeting, including notice, registration, consideration of motion, voting, count of votes, declaration of voting results, formation of resolution, meeting minutes and its signing and announcement, as well as the principles how the Board is authorized, with details of authorization. The Proceeding Rules of General Meeting shall serve as attachment to the Articles of Association, as contemplated by the Board and approved by the general meeting.

Voting and Resolution of General Meeting

Resolutions at general meeting include ordinary resolution and special resolution. To make an ordinary resolution at general meeting, a simple majority of voting rights represented by the shareholders present at general meeting shall vote for relevant motion. To make a special resolution, at least 2/3 voting rights represented by the shareholders present at general meeting shall vote for relevant motion.

Ordinary resolution may concern:

(1) Board's work report;

(2) Board's profit distribution plan and loss compensation plan;

(3) Board member's appointment, dismissal, remuneration and payment;

(4) other matters of ordinary resolution under the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Special resolution may concern:

(1) modification of the Articles of Association and attachments like the Proceeding Rules of General Meeting and the Proceeding Rules of Board of Directors;

(2) increase/decrease of registered capital;

(3) merger, spin-off, dissolution, change of nature or liquidation of the Company;

(4) listing of a subsidiary by division;

(5) purchase or sale of material assets or provision of guarantee for others within 12 consecutive months in the aggregate amount exceeding 30% of the Company's latest audited total assets;

(6) issuance of shares, convertible bonds, preferred shares and other kinds of securities recognized by the CSRC;

(7) repurchase of shares for decreasing the registered capital;

(8) material assets reorganization;

(9) equity incentive scheme;

(10) resolution at general meeting to withdraw the shares listing in Shenzhen Stock Exchange and/or Hong Kong Stock Exchange, and decision of no more exchange trading, or application for trading or transfer at other exchange site;

(11) other matters considered by ordinary resolution of general meeting to have material influence on the Company, which should be solved in special resolution of general meeting;

(12) other matters to be solved in special resolution under the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, or the Proceeding Rules of General Meeting.

To adopt the motion (4) or (10) above, at least 2/3 voting rights represented by the shareholders present at general meeting should vote for it, but also at least 2/3 voting rights represented by the directors, executives of the Company present at general meeting and other shareholders holding more than 5% shares of the Company singly or in aggregate should vote for it.

A shareholder may exercise its voting rights according to the number of voting shares it represents, one vote for one share, except for preferred shareholder. At the time of voting, a shareholder (or its proxy) with two or more votes needs not to totally vote for, against or abstain.

When the general meeting is considering a material issue that may influence the interests of minority shareholders, the votes should be counted separately for minority shareholders. The results of separate voting should be publicized in time.

The Company shares held by the Company have no voting rights, and these shares are not included in the total number of voting shares present at general meeting.

If a shareholder buys in voting shares in breach of Section 63.1 to 63.2 of Securities Law of the PRC, then the shareholder shall not exercise the voting rights represented by such shares within 36 months from buy-in, and such shares are not included in the total number of voting shares present at general meeting.

The Board, independent directors, the shareholder holding more than 1% voting shares or the investor protection organization established under the laws, regulations or the CSRC rules may openly collect voting rights from shareholders. The collection of voting rights shall fully disclose the intent of voting to target shareholders. To do so, voting intent or other information shall be fully disclosed to subject shareholders. Paid collection or disguised form of paid collection is prohibited. Except for statutory conditions, the Company shall not pose minimum shareholding limit during the collection.

When general meeting is considering a connected transaction, connected shareholders shall not vote, and the number of voting shares represented by them shall not be included in the effective total votes; the announcement of general meeting resolution shall fully disclose the voting of non-connected shareholders. Connected shareholders shall actively apply for evasion. When a connected shareholder does not apply for evasion actively, other knowing shareholders may require it to evade. When general meeting is considering a connected transaction, the chair of meeting shall announce the list of connected shareholders, specifying whether they take part in the voting or not, and announce the total number of voting shares represented by non-connected parties and the percentage in total shares of the Company, before voting.

To elect more than 2 directors, the general meeting shall practise the cumulative voting mechanism. In addition, the general meeting shall vote on all motions one by one, and for different motions on the same matter, shall vote in time sequence. The general meeting will not suspend or withhold the voting on a motion, except the general meeting is suspended or unable to resolve in force majeure or other special reasons.

In considering a motion, the general meeting will not modify the motion. A modified motion shall be deemed as a new motion, and shall not submitted to the same general meeting for voting. One vote may be cast either on site or on line, or otherwise as alternative. If a vote is cast repeatedly, then the first cast shall prevail.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions for Directors

A director as elected or replaced by general meeting may be dismissed by general meeting before expiry of tenure. A director may take office for a tenure of not more than 3 years, and may be reelected as director upon expiration.

A director's tenure starts from the date it takes office to the expiration of current Board. If a director expires but there is not a reelection in time, then before a new director takes office, the former director shall continue its duties as director under the laws, administrative regulations, departmental rules and the Articles of Association.

A director may also be executive of the Company, but the number of directors acting as executives and employee representatives shall not be more than 1/2 of entire directors of the Company.

A director shall comply with the laws, regulations, local listing rules and the Articles of Association, with obligation of royalty to the Company, and shall take measures to evade interest conflict with the Company, without profiteering from its powers.

A director with the obligation of loyalty to the Company shall:

(1) not misappropriate the Company's properties or funds;

(2) not deposit the Company's funds in bank account created in its own name or in other's name;

(3) not bribe or take other illegal income on duty;

(4) not contract or trade with the Company directly or indirectly, before reporting to and obtaining a resolution at the Board or general meeting;

(5) not leverage on its duties to seek for the Company's business opportunities on its own or other's account, except reporting to and obtaining a resolution at Board or general meeting, or that the Company cannot take such business opportunities under the laws, administrative regulations or the Articles of Association;

(6) not operate similar business with the Company for itself or for others, before reporting to and obtaining a resolution at Board or general meeting;

(7) not occupy other's commission for trading with the Company;

(8) not disclose the Company's secret without permission;

(9) not use its connection to damage the Company's interests;

(10) other obligations of loyalty under the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

A director's income breaking this provision shall be owned by the Company; if such breach has caused loss to the Company, said director shall be liable for compensation.

A director shall comply with the laws, regulations, local listing rules and the Articles of Association, with the obligation of loyalty to the Company, and shall take reasonable care of the best interests of the Company on duty.

A director with the obligation of diligence to the Company shall:

(1) prudently, carefully, and diligently exercise the rights vested by the Company, to ensure the Company's business operations comply with national laws, regulations and various economic policies, and its business activities do not fall out of the business scope listed in the business license;

(2) treat all shareholders fairly;

(3) understand the Company's operation and management timely;

(4) sign written confirmation on the Company's regular reports, to ensure the truth, accuracy and integrity of information disclosed by the Company. If the director fails to guarantee the truth, accuracy, integrity of or disagrees with the securities issuing documents and regular reports, then the director shall give its opinions in the written confirmation, specifying its reason;

(5) provide relevant conditions and materials as be to the Audit Committee, without precluding the Audit Committee from exercising its powers;

(6) others under the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If a director fails to attend by person for two consecutive times, without appointing another director to attend the Board meeting by proxy, then such failure shall be deemed as inability to perform duties, and the Board shall recommend replacing such director to the general meeting.

A director may resign before expiry of tenure, by submitting a report of resignation in writing to the Company. The resignation is effective on the day the report is received by the Company, and the Company will disclose related conditions within 2 business days.

Upon resignation or expiration, a director shall hand over to the Board, and its obligations of royalty to the Company and shareholders shall not necessarily cease after the termination of tenure and shall remain effective within 12 months from such resignation or expiration. A director's liabilities incurred on duty during its tenure shall not be relieved or terminated by its leaving the Company.

If a director on duty causes damage to others, the Company shall be liable for compensation; a director who is willful or guilty of gross negligence shall also be liable for compensation. A director on duty breaking the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, causing loss to the Company, shall be liable for compensation.

Board of Directors

The Company sets up the Board of Directors, composed of 9 directors, including 1 chairman, 1 vice chairman, 3 independent directors and 1 employee director. Chairman and vice chairman are elected by voting from a majority of directors at the Board meeting. Directors may include executive directors, non-executive directors and independent directors. A non-executive director means a directors not acting as manager in the Company.

The Board may:

(1) call a general meeting, and report to general meeting;

(2) carry out a resolution of general meeting;

(3) decide the Company's operating and investment plans;

(4) develop the Company's profit distribution and loss compensation plans;

(5) develop the Company capital in/decrease, bond/securities issuing and listing plans;

(6) contemplate the Company's plans of significant acquisition, shares repurchase or merger, spin-off, dissolution and change of nature;

(7) within the authority of general meeting, decide the Company's external investment, assets purchase/sale, assets pledge, external guarantee, entrusted wealth management, connected transaction and external donation etc.;

(8) decide the Company's internal management setup;

(9) engage or dismiss the Company's general manager, Board secretary and other executives, and determine their remuneration and reward/punishment; based on GM's nomination, decide to engage or dismiss the Company's deputy GM, CFO or other executives, and determine their remuneration and reward/punishment;

(10) develop the Company's fundamental management system;

(11) develop the modification of the Articles of Association;

(12) manage the Company's information disclosure;

(13) propose engagement or replacement of CPA firm to general meeting;

(14) listen to deputy GM's work briefing and check deputy GM's work;

(15) consider and approve any contemplated transaction in the value of more than RMB300,000 between the Company and connected natural person; consider and approve any connected transaction between the Company and the connected entity (or other organization) in the value of more than RMB3 million and accounting for more than 0.5% of the absolute value of the latest audited net assets of the Company;

(16) consider other guarantee than those to be approved by general meeting;

(17) others powers vested by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the general meeting.

Any matter beyond the authority of general meeting shall be submitted to the Board for consideration.

When the Board is considering a guarantee issue, a resolution is effective only with consent of more than 2/3 directors present at the meeting.

Statutory powers of the Board shall be exercised by the Board collectively, without authorizing other person to exercise, and shall not be altered or divested by the Articles of Association, general meeting resolution or other means.

Chairman may:

(1) chair a general meeting, call and chair a Board meeting;

(2) urge and inspect the performance of Board resolution;

(3) sign relevant documents on behalf of the Company, sign important Board documents;

(4) others within the authority of Board.

Vice chairman shall assist the chairman. When the chairman is unable or fails to perform its duties, the vice chairman shall perform the duties; when the vice chairman is unable or fails to perform the duties, a majority of directors shall elect one director from them to perform the duties.

The Board will hold at least 4 meetings per year, to be called by chairman with a 14-day prior notice in writing to entire directors.

The shareholders representing more than 1/10 voting rights, more than 1/3 directors or the Audit Committee may propose extraordinary meeting to Board. The chairman shall call and chair the Board meeting within 10 days after receiving the proposal.

The quorum of Board meeting is a majority of directors. Unless otherwise provided by laws, regulations and the Articles of Association, a Board resolution is effective only when a majority of directors vote for it. To vote at Board meeting, one director may only cast one vote.

A director shall attend the Board meeting by person; if a director fails to attend for a justifiable reason, it may appoint another director as its proxy to attend, while the letter of appointment shall specify the proxy's name, proxy matter, scope of authority and effective period, with the proxy's signature or seal. The proxy director shall exercise director's rights within the authority. A director's failure to attend a Board meeting by person or by proxy shall be deemed as its waiver of voting rights at the meeting. An independent director shall not appoint a non-independent director to vote by proxy. In considering the connected affairs, a non-connected director shall not appoint a connected director to attend the meeting by proxy.

Independent Directors

An independent director as member of the Board, with the obligations of royalty and diligence to the Company and entire shareholders, shall prudently:

(1) take part in Board decision making and give clear opinions on discussions;

(2) supervise potential conflict of significant interests between the Company and its controlling shareholder, beneficial owner, directors and executives, and protect the legitimate rights and benefits of minority shareholders;

(3) provide professional and objective suggestions on the Company's operation and development, improve the Board's decision-making level;

(4) others under the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

An independent director may specially:

(1) engage an intermediary to audit, advise or verify the Company's specific affairs independently;

(2) propose extraordinary general meeting to the Board;

(3) propose Board meeting;

(4) lawfully collect voting rights from shareholders openly;

(5) give independent opinions on the event that may damage the rights and benefits of the Company or minority shareholders;

(6) others under the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

An independent director to exercise its powers (1) to (3) above shall obtain the consent from a majority of independent directors.

Committees under the Board

The Board sets up the Audit Committee, to exercise the duties of supervisors under the Company Law of the PRC.

Audit Committee has 3 members, being directors not acting as executives of the Company, including 3 independent directors, and the caller shall be an independent director who is a professional of accounting.

Audit Committee shall review the Company's financial information and disclosure, supervise and evaluate internal/external audit and internal control. With consent from a majority of members of Audit Committee, the following matters shall be submitted to the Board for consideration:

(1) disclosure of financial information and internal control appraisal reports contained in the financial/accounting reports and regular reports;

(2) engagement or dismissal of CPA firm as auditors of the listed company;

(3) engagement or dismissal of CFO of the listed company;

(4) change of accounting policies, accounting estimates or correction of significant accounting errors for other reason than change of accounting standards;

(5) others under the laws, administrative regulations, the CSRC rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Board sets up Strategy, Nomination, Remuneration & Examination and ESG among other professional committees, to perform duties in line with the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and the authority of Board. A proposal of professional committee shall be submitted to the Board for consideration. The working procedures of professional committees shall be developed by the Board.

In Nomination Committee and Remuneration & Examination Committee, a majority of members shall be independent directors, and the caller shall be an independent director. Nomination Committee shall have at least one director whose gender is different with the rest.

Nomination Committee shall contemplate the directors/executives selection standards and procedures, select and review the candidates and their eligibility, and give advice to the Board concerning:

(1) nomination or appointment or dismissal of directors;

(2) engagement or dismissal or executives;

(3) others under the laws, administrative regulations, the CSRC rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Remuneration & Examination Committee shall develop the directors/executives' examination standards and examine them, develop and screen directors/executives' remuneration determining mechanism, decision-making process, payment and recourse arrangement and other remuneration policies and schemes, and give advice to the Board concerning:

(1) remuneration of directors or executives;

(2) development or change of equity incentive scheme, staff shareholding scheme, benefits of incentives, and conditions for exercise of rights;

(3) director or executive's shareholding scheme in the subsidiary to be divided;

(4) others under the laws, administrative regulations, the CSRC rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Strategy Committee shall research and recommend on the Company's long term development strategy and material investment decision. Strategy Committee shall mainly:

(1) understand domestic and international economic development trend, industrial development trend, national and industrial policy orientation; research and recommend on the Company's long term development strategy planning and development direction;

(2) evaluate the Company's strategic planning, development objectives. operating plans and implementing process;

(3) research and recommend on the material investment plans to be considered by the Board under the Articles of Association;

(4) research and recommend on the material capital running plans to be considered by the Board under the Articles of Association;

(5) research and recommend on other material events influencing the Company's development;

(6) check the implementation of above matters;

(7) others within the authority of Board.

ESG Committee shall monitor and guide the Company's ESG effective performance, and improve the Company's ESG development. ESG Committee shall mainly:

(1) pay attention to the Company's ESG laws, regulations and policies, research and recommend on the Company's ESG work direction;

(2) research and develop the Company's ESG strategic planning, management structure, system and implementing rules;

(3) identify and monitor the ESG risks and opportunities with great influence on the Company's operation, and guide the management team to take appropriate countermeasures against the ESG risks and opportunities;

(4) instruct, supervise and check the Company's ESG implementation, evaluate the Company's overall ESG performance and give suggestions;

(5) consider the Company's ESG reports and other ESG related material events;

(6) others within the authority of Board.

Executives

The Company has 1 general manager (GM), to be engaged or dismissed by the Board. The Company has deputy general managers, to be engaged or dismissed by the Board.

The director's obligations of loyalty and diligence under the Articles of Association are also applicable to executives.

GM reports to Board, and may:

(1) chair the Company's operation and management, organize and implement Board resolution, and report to the Board;

(2) organize and implement the Company's annual operating and investment plans;

(3) contemplate the Company's internal management setup plan;

(4) contemplate the Company's fundamental management system;

(5) develop the Company's specific rules;

(6) propose engagement or dismissal of deputy GM or CFO to the Board;

(7) decide to engage or dismiss responsible managers other than those to be engaged or dismissed by the Board;

(8) other powers vested by the Articles of Association or the Board.

CFO reports to the Board and assists the GM. CFO is directly responsible for preparing financial reports, processing with accounting policies, disclosing financial information and other financial issues. CFO as executive shall strengthen control over the Company's financial process, regularly check the Company's monetary funds and assets restriction, and monitor the transactions and current funds flow between the Company and its controlling shareholder, beneficial owner and other connected parties. CFO shall monitor the Company's funds in/out and balance fluctuations, take active measures against balance abnormality, and timely report to the Board.

CFO shall ensure the Company's financial independence, not affected by the controlling shareholder or beneficial owner. CFO shall clearly refuse the controlling shareholder, beneficial owner or its connected person's order to occupy, transfer funds, assets or other resources among other misappropriation of company interests, and timely report such refusal to the Board.

Deputy GM reports to GM, and perform its duties within the designated business scope.

The Company has a Board secretary to prepare for general meeting and Board meeting, keep documents safe, manage shareholders' information of the Company, and cope with information disclosure etc. Board secretary as executive, in order to perform its duties, may attend relevant meeting, search relevant documents, and understand the Company's finance and operation. Board and other executives shall support the secretary. Any entity or individual person shall not intervene with secretary's normal performance of duties. Secretary shall comply with the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

FINANCIAL AND ACCOUNTING POLICIES, PROFIT DISTRIBUTION AND AUDITING

Financial and Accounting Policies

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and requirements of competent authorities of the State.

Within 4 months of the end of each accounting year, the Company shall submit and disclose its annual report to the branch of the CSRC and the stock exchange where its shares are listed. Within 2 months of the end of the first half of each accounting year, the Company shall submit and disclose its interim report to the branch of the CSRC and the stock exchange where its shares are listed. The aforementioned annual and interim reports shall be prepared in accordance with the relevant laws, administrative regulations, the CSRC, and the requirements of the stock exchange where the Company's shares are listed.

The Company shall not establish separate accounting books other than the statutory accounting books. The Company funds shall not be deposited in any accounts opened in the name of an individual.

When distributing profits after taxation of the year, the Company shall set aside 10% of its profits for the Company's statutory reserve until the fund has reached 50% or more of the Company's registered capital.

If the Company's statutory common reserve is insufficient to make up losses for previous years, the Company shall use its profits for the current year to make up such losses before making the allocation to its statutory common reserve in accordance with the preceding paragraph. After making the allocation from its after-tax profits to its statutory common reserve, the Company may, subject to a resolution of the Shareholders' general meeting, make an allocation from its after-tax profits to the discretionary common reserve. After the Company has made up its losses and made allocations to its common reserves, the remaining after-tax profits of the Company shall be distributed in proportion to the shareholdings of its shareholders, except for otherwise provided by the Articles of Association.

If the Shareholders' general meeting breaches the Company Law by distributing profits to shareholders, the shareholders shall return to the Company the profits that were distributed in breach of the said provisions. Shareholders, responsible directors and senior managements who have caused losses to the Company shall be liable for compensation. No profit shall be distributed in respect of the shares in the Company held by itself.

The reserve of the Company shall be applied to make up for the Company's losses, expanding its business operations or increasing its capital. When the reserve is used to make up the Company's losses, the discretionary reserve and statutory reserve shall be first used; if the losses can still not be covered, the capital reserve may be used according to provisions. When converting the statutory reserve fund into registered capital, the balance of such reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

The Company shall adopt a continuous and steady profit distribution policy. The Company's profit distribution shall focus on providing investors with reasonable investment return as well as maintaining the sustainable development of the Company.

The Company may distribute dividends in cash, in shares or in a combination of both cash and shares. The Company shall actively promote the distribution of dividends in cash. Cash dividends have a priority order in the profit distribution methods compared with stock dividends. Under the relevant laws, regulations, and the Articles of Association, the Company shall distribute no less than 20% of the distributable profits realized each year in cash. The Company shall primarily adopt a cash dividend distribution policy, which stipulates: provided that the Company maintains sustainable operations and long-term development and achieves profitability in the current year with a positive accumulated undistributed profit balance, the auditing firm shall issue an unqualified audit report for the Company's financial statements of that year (interim profit distributions shall comply with relevant regulations), without any major investment plan or other significant cash expenditures (a "major investment plan or significant cash expenditure" refers to cumulative expenditures for external investments or asset acquisitions planned within the next 12 months reaching or exceeding 30% of the Company's latest audited net assets and exceeding RMB50 million), and the Company shall distribute cash dividends after legally allocating statutory reserves and surplus reserves. Should the Company experience rapid revenue growth and the Board determine that the price of the shares of the Company does not correspond to the scale of the Company's share capital, the Company may propose and implement a share dividend distribution plan in addition to meeting the aforementioned cash dividend distribution requirements.

The Company makes profit distribution once a year in principle; the Board of the Company may propose distribution of interim dividends based on the scale of profit, cash flows status, stage of development and capital requirements of the Company.

If the shareholders of the Company fraudulently dispose of the Company's funds, the Company shall deduct the distribution of cash profits from the shareholders in order to repay the amount of disposed funds.

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 Company's internal audit system and the responsibilities of audit personnel shall be implemented upon approval by the Board and publicly disclosed. The internal audit department shall conduct oversight and inspections of the Company's affairs such as business activities, risk management, internal controls and financial information.

Appointment of Accounting Firm

The Company shall appoint an accounting firm meeting the requirements of the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed to audit the financial statements and verify the net assets of, and provide other counseling services to, the Company. The accounting firm shall have a term of office of one 1 year and may serve consecutive terms upon reappointment by the Company. The engagement and dismissal of an accounting firm by the Company shall be decided by the Shareholders' general meeting. The Board shall not appoint an accounting firm before the shareholders' meeting makes a decision. The Company guarantees to the accounting firm appointed, to supply true and complete accounting proof, accounting books, financial accounting report and other accounting information. It cannot refuse to provide or hide information, or provide false information.

The auditing fee of the accounting firm or the method of determining audit fee shall be determined by the Shareholders' general meeting. In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 30 days in advance; when the shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation.

Where the accounting firm proposes to resign, it shall explain to the Shareholders' general meeting whether there has been any impropriety on the part of the Company.

Notices and Announcements

Notices of the Company shall be sent via the following methods:

(1) by hand;

(2) by email;

(3) by announcement;

(4) other forms as stipulated in the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the relevant notice.

The notice for the Shareholders' general meeting of the Company shall be issued by way of announcement. The notice for a meeting of the Board shall be delivered by personal delivery, fax, email, or other notification methods.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

In the event of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within a period of 10 days from the date of the resolution approving the merger and publish an announcement of the same within 30 days from that date through designated media and at Hong Kong Stock Exchange's HKExnews website (**www.hkexnews.hk**). The creditors may request the Company to settle debts or provide guarantees in respect thereof within 30 days of the receipt of the above notice or within 45 days after the announcement is published if such notice is not received.

In the event of a division, the Company's assets shall be divided accordingly. In the event of a division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within a period of 10 days from the date of the resolution approving the division and publish an announcement of the same within 30 days from that date through designated media or the National Enterprise Credit Information Publicity System. Debts prior to the division shall be jointly and separately borne by the companies after such division, unless otherwise agreed in writing by the Company and creditors on debt settlement prior to such division.

In the case of a reduction of its registered capital, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital, and publish an announcement of the same within 30 days from that date through designated media or the National Enterprise Credit Information Publicity System. The creditors may request the Company to settle debts or provide guarantees in respect thereof within 30 days of the receipt of the above notice or within 45 days after the announcement is published if such notice is not received. Where the Company reduces its registered capital, the amount of capital contribution or shares shall be reduced correspondingly in proportion to the shares held by its shareholders, unless otherwise provided by law or the Articles of Association.

When the Company issues new shares for the purpose of increasing its registered capital, shareholders shall not be entitled to pre-emptive subscription rights, unless otherwise provided for in the Articles of Association, or unless the resolution of the Shareholders' general meeting determines that shareholders shall be entitled to pre-emptive subscription rights.

Dissolution and Liquidation

The Company shall be dissolved according to the following reasons:

(1) the term of business stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;

(2) the Shareholders' general meeting resolves to dissolve the Company;

(3) dissolution is necessary due to a merger or division of the Company;

(4) the business license is revoked, or the business is ordered to close down or is revoked;

(5) where the Company encounters serious difficulties in its operation and management and its continuance shall cause a significant loss to the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold 10% or more of the voting rights of the Company may present a petition to the People's Court for dissolution of the Company.

Should the Company encounter any of the dissolution causes specified in the aforementioned provisions, it shall publicize the cause(s) for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

If the Company is dissolved as a result of the provisions of items (1), (2), (4) and (5) above, it shall be liquidated. The Directors shall be the obligors of liquidation of the Company and shall form a liquidation committee to carry out liquidation within 15 days from the date on which the cause of dissolution arises. The liquidation committee shall consist of the Directors, unless it is otherwise required by the Articles of Association or the Shareholders' general meeting resolves to elect another person.

The liquidation committee shall exercise the following functions and powers during the liquidation period:

(1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;

(2) to notify the creditors and publish announcements;

(3) to deal with and settle the outstanding business of the Company;

(4) to pay all outstanding taxes and taxes arising in the course of liquidation;

(5) to settle claims and debts;

(6) to allot the remaining assets of the Company after its debts have been paid off;

(7) to participation in civil lawsuits on behalf of the Company.

The liquidation committee shall notify creditors within 10 days after its establishment and shall publish an announcement of the same within 60 days through designated media or the National Enterprise Credit Information Publicity System. A creditor shall lodge his/her claim with the liquidation committee within 30 days of the receipt of the above notice or within 45 days after the announcement is published if such notice is not received. When declaring their claims, the creditors shall explain the matters related to their claims and provide supporting materials. The liquidation committee shall register the creditor's claims. During the period of declaration of claims, the liquidation committee shall not settle any debts to creditors.

Upon liquidation of the Company's property and the preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit it to the Shareholders' general meeting or the People's Court for verification. The remaining assets of the Company after payment of liquidation expenses, wages, social insurance expenses and statutory compensation of employees, outstanding taxes and the Company's debts shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The assets of the Company shall not be distributed to the shareholders before the settlements are made in accordance with the preceding paragraph.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the Shareholders' general meeting or the People's Court for verification. The liquidation committee shall also file with the registration authority to apply for the deregistration of the Company.

The members of the liquidation committee shall fulfill the liquidation duties and have obligations of loyalty and diligence. Where the member of the liquidation committee neglect to perform the liquidation duties and causes any loss to the Company, he/she shall be liable to make compensation; where any members of the liquidation committee cause any loss to any creditor with intention or due to gross negligence, he/she shall be liable to make compensation.

Amendment to the Articles of Association

The Company shall amend the Articles of Association in any of the following circumstances:

(1) there is discrepancy between the provisions of the Articles of Association and the revised laws and administrative regulations, following amendments to provisions of the Company Law, or relevant laws, administrative regulations, department rules and the securities regulatory rules of the place where the Company's shares are listed;

(2) the conditions of the Company have changed, and such change is not covered in the Articles of Association;

(3) the Shareholders' general meeting has resolved to amend the Articles of Association.

The amendments to the Articles of Association adopted by a resolution of the Shareholders' general meeting shall be submitted to competent authorities for approval if so required. For any change in business registration, application shall be made for such change according to laws.

The Board shall amend the Articles of Association in accordance with the resolution on the amendments passed at the Shareholders' general meeting and the opinions of the competent authorities. The amendments to the Articles of Association, if required to be disclosed under laws and regulations, shall be announced in accordance therewith.

FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on February 26, 2002 and converted into a joint stock company with limited liability in June 2011 under the laws of the PRC and completed the listing of our A Shares on the Shenzhen Stock Exchange (stock code: 002747.SZ) in March 2015. As of the Latest Practicable Date, the registered share capital of our Company was RMB871,018,453.

Our Company has established a place of business in Hong Kong at 4/F, Jardine House, 1 Connaught Place, Central, Hong Kong and has registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on June 24, 2025. Ms. Poon Pui Man Hera (潘霈民), the joint company secretary of our Company, has been appointed as our authorized representative for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company was established in the PRC, its operations are subject to the relevant laws and regulations of Chinese Mainland. A summary of the relevant aspects of laws and regulations of Chinese Mainland and the Article of Association is set out in Appendices IV and V to this prospectus, respectively.

2. Changes in Share Capital of Our Company

When our Company was converted into a joint stock liability company with limited liability under the PRC Company Law, our initial registered capital was RMB90,000,000, divided into 90,000,000 shares with a nominal value of RMB1.00 each.

Upon completion of our Company's A Share listing in March 2015, the registered capital of our Company increased from RMB90,000,000 to RMB120,000,000.

For further details on the historical change of share capital of our Company, see "History, Development and Corporate Structure" in this prospectus. Save as disclosed above, there has been no alteration in our share capital within two years immediately preceding the date of this prospectus.

3. Resolutions of the Shareholders

Pursuant to the extraordinary general meeting of our Shareholders held on June 20 2025, the following resolutions, among others, were passed by our Shareholders:

(a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange be issued;

(b) the number of H Shares to be issued shall not be more than 15% of the total issued share capital of our Company as enlarged by the Global Offering, and the grant to the underwriters (or their representatives) of the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;

(c) subject to the completion of the Global Offering, the adoption of the Articles of Association which shall become effective on the Listing Date, and the authorization to the 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 issue and listing of the H Shares.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. 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 prospectus that are or may be material:

(a) an agreement for issuance of shares and payment of cash to acquire assets (發行股份及支付現金購買資產協議) dated November 15, 2024 (the "**Asset Purchase Agreement**") entered into between our Company and Nanjing Chemical Fibre Co., Ltd. (南京化纖股份有限公司) ("**Nanjing Chemical Fibre**"), pursuant to which our Company agreed to, among others, transfer its 3.00% equity interest in Nanjing Technical Equipment Manufacture Co., Ltd. (南京工藝裝備製造股份有限公司) to acquire A shares of Nanjing Chemical Fibre;

(b) a supplemental agreement to the Asset Purchase Agreement dated May 12, 2025 entered into between our Company and Nanjing Chemical Fibre, pursuant to which Nanjing Chemical Fibre agreed to transfer 10,547,105 A shares of Nanjing Chemical Fibre to our Company;

(c) a cornerstone investment agreement dated February 25, 2026 entered into among our Company, Harvest International Premium Value (Secondary Market) Fund SPC acting on behalf of and for the account of Harvest Oriental SP, and Huatai Financial Holdings (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollars equivalent of US$20 million (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(d) a cornerstone investment agreement dated February 25, 2026 entered into among our Company, Hengtong Optic-electric International Co., Limited (亨通光電國際有限公司), and Huatai Financial Holdings (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollars equivalent of US$15 million (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(e) a cornerstone investment agreement dated February 25, 2026 entered into among our Company, Dream'ee (Hong Kong) Open-ended Fund Company, and Huatai Financial Holdings (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of HK$80 million (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(f) a cornerstone investment agreement dated February 25, 2026 entered into among our Company, Deep Source Holdings Limited (至源控股有限公司), and Huatai Financial Holdings (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollars equivalent of US$10 million (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(g) a cornerstone investment agreement dated February 25, 2026 entered into among our Company, Haitian Huayuan (Singapore) Pte. Ltd., and Huatai Financial Holdings (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of HK$38.5 million (inclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(h) a cornerstone investment agreement dated February 25, 2026 entered into among our Company, New Fortune Holdings Group Limited (裕祥控股集團有限公司), and Huatai Financial Holdings (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of HK$30 million (inclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(i) a cornerstone investment agreement dated February 25, 2026 entered into among our Company, Qianhai Hezhong Investment Holding Limited (前海合眾投資控股有限公司), and Huatai Financial Holdings (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollars equivalent of US$3 million (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares); and

(j) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks, which we considered to be material to our business:

No.	Trademark	Class	Registration Number	Registered Owner	Date of Registration	Place of Registration
1 . .	ESTUN	9	43925953	Our Company	January 21, 2021	PRC
2 . .	ESTUN	7	43913754	Our Company	March 21, 2021	PRC
3 . .	TRIO MOTION TECHNOLOGY	7	27348980	Our Company	November 7, 2019	PRC
4 . .		7	26718595	Our Company	October 28, 2019	PRC
5 . .	ESTUN ROBOTICS	7	11190446	Our Company	November 28, 2023	PRC
6 . .	ESTUN	9	8538861	Our Company	September 21, 2021	PRC
7 . .	埃斯顿	9	8538842	Our Company	August 14, 2021	PRC
8 . .	埃斯顿	7	5189674	Our Company	March 28, 2019	PRC
9 . .	ESTUN	7	3202392	Our Company	January 21, 2024	PRC

No.	Trademark	Class	Registration Number	Registered Owner	Date of Registration	Place of Registration
10. .	PREX	7	6788952	Shanghai Prex Mfg. Co., Ltd.	September 28, 2022	PRC
11. .		7	49113837	Jiangsu Hangding Intelligent Equipment Co., Ltd.	June 7, 2021	PRC
12. .	AERO-APEX	7	33388832	Jiangsu Hangding Intelligent Equipment Co., Ltd.	June 7, 2019	PRC
13. .	航鼎智能	7	33378379	Jiangsu Hangding Intelligent Equipment Co., Ltd.	May 7, 2020	PRC
14. .	DIZHUO 缔卓	7	37810116	Chongqing Tizhuo Intelligent Equipment Technology Co., Ltd.	June 7, 2020	PRC
15. .	CLOOS	1	76012385	Carl Cloos Robotics Technology (China) Co., Ltd.	September 7, 2024	PRC
16. .	ESTUN	1, 6, 7, 9, 10, 42, 44	306933510	Our Company	June 17, 2025	Hong Kong
17. .	ESTUN	1, 6, 7, 9, 10, 42, 44	306933510	Our Company	June 17, 2025	Hong Kong
18. .	ESTUN	1, 6, 7, 9, 10, 42, 44	306933510	Our Company	June 17, 2025	Hong Kong
19. .	ESTUN AUTOMATION	7, 9	306933574	Our Company	June 17, 2025	Hong Kong
20. .	ESTUN AUTOMATION	7, 9	306933574	Our Company	June 17, 2025	Hong Kong

Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be material to our business:

No.	Patent Description	Patentee	Place of registration	Class of Patent	Patent Number
1 . . .	A multi-axis robot system motion planning method, electronic device and medium (一種多軸機器人系統運動規劃方法、電子設備及介質)	Our Company and Estun Robot	PRC	Invention patent	ZL2023110524731
2 . . .	Motor and transmission mechanism fault prediction system based on motion control system architecture (基於運動控制系統架構的電機及其傳動機構故障預測系統)	Our Company	PRC	Invention patent	ZL2022106206125
3 . . .	A vision-based robot-guided assembly robot method (一種基於視覺的機器人引導裝配機器人方法)	Our Company and Estun Robot	PRC	Invention patent	ZL2021114251310
4 . . .	An emergency stop safety system for industrial robots (一種工業機器人急停安全系統)	Our Company	PRC	Utility model patent	ZL2021218146427
5 . . .	A hybrid space-based transition trajectory planning method for industrial robots (一種基於混合空間的工業機器人過渡軌跡規劃方法)	Our Company and Estun Robot	PRC	Invention patent	ZL2020109782029
6 . . .	A control method for stopping the slide at top dead center in mechanical presses (一種機械壓力機滑塊停上死點的控制方法)	Our Company	PRC	Invention patent	ZL2019113885472

No.	Patent Description	Patentee	Place of registration	Class of Patent	Patent Number
7 . . .	Robot collision detection device and collision detection method (一種機器人碰撞檢測裝置及碰撞檢測的方法)	Our Company	PRC	Invention patent	ZL2019113949879
8 . . .	Tooth-shoe separated permanent magnet motor stator core, permanent magnet motor and assembly method (齒靴分離式永磁電機定子鐵芯、永磁電機及組裝方法)	Our Company	PRC	Invention patent	ZL2019110821746
9 . . .	A permanent magnet brake for permanent magnet motors and permanent magnet brake motor (一種用於永磁電機的永磁制動器及永磁制動電機)	Our Company	PRC	Invention patent	ZL2019107674633
10. . .	Vibration suppression method for servo motor and load multi-stage transmission systems (一種伺服電機與負載多級傳動系統的振動抑制方法)	Our Company	PRC	Invention patent	ZL2018106063093
11. . .	Real-time online prediction method for dynamic junction temperature of semiconductor power devices (半導體功率器件動態結溫的實時在線預測方法)	Our Company	PRC	Invention patent	ZL2017112736202
12. . .	A safe torque off (STO) circuit and system (一種安全轉矩關斷電路及系統)	Our Company	PRC	Invention patent	ZL2017102646816
13. . .	A fault detection method for joint reducers in heavy-duty industrial robots (一種重載工業機器人關節減速器故障檢測方法)	Hebei University of Technology, Estun Robot and Hangzhou Xinkong Automation Technology Co., Ltd.	PRC	Invention patent	ZL2024111246831

No.	Patent Description	Patentee	Place of registration	Class of Patent	Patent Number
14. . .	Heavy-duty robot reducer fault diagnosis method, diagnosis system, equipment and medium (重載機器人減速器故障診斷方法、診斷系統、設備及介質)	Hebei University of Technology, Estun Robot and Hangzhou Xinkong Automation Technology Co., Ltd.	PRC	Invention patent	ZL2024111243689
15. . .	A predictive monitoring and maintenance method for heavy-duty industrial robot joints (一種重載工業機器人關節的預測性監測維護方法)	Hebei University of Technology, Estun Robot and Hangzhou Xinkong Automation Technology Co., Ltd.	PRC	Invention patent	ZL2024111107947
16. . .	Robotic arm trajectory accuracy improvement method, equipment, product and medium (一種機械臂軌跡精度提升方法、設備、產品和介質)	Estun Robot	PRC	Invention patent	ZL202310636554X
17. . .	Six-axis industrial robot (六關節工業機器人)	Estun Robot	PRC	Design patent	ZL2023301962831
18. . .	A vision-based robot collision warning method (一種基於視覺的機器人碰撞預警方法)	Our Company and Estun Robot	PRC	Invention patent	ZL2022111010868
19. . .	A vibration suppression method for the stopping process of industrial robots (一種工業機器人停止過程段的振動抑制方法)	Our Company and Estun Robot	PRC	Invention patent	ZL2020108351105
20. . .	A speed planning method for bending robot synchronous following in bending applications (一種應用於折彎機器人折彎同步跟隨的速度規劃方法)	Estun Robot	PRC	Invention patent	ZL2019113885260

No.	Patent Description	Patentee	Place of registration	Class of Patent	Patent Number
21. . .	A method for monitoring area boundary motion planning of industrial robots (一種工業機器人監控區域邊界運動規劃的方法)	Estun Robot	PRC	Invention patent	ZL2019107829988
22. . .	An industrial robot collision detection method (一種工業機器人碰撞檢測方法)	Estun Robot	PRC	Invention patent	ZL2019106533055
23. . .	Motor rotor structure and high-performance servo motor (一種電機轉子結構及高性能伺服電機)	Estun Robot	PRC	Invention patent	ZL2023103583754
24. . .	A special differential signal encoder breakage quick detection circuit for robots (一種機器人專用差分信號編碼器斷線快速檢測電路)	Estun Robot	PRC	Invention patent	ZL2017110647628
25. . .	A hollow small arm and wrist structure for low-load industrial robots (一種低負載工業機器人中空小臂和腕部結構)	Estun Robot	PRC	Invention patent	ZL2014100371444
26. . .	A force/torque sensor-less soft floating control method for robotic arms (一種無力/力矩傳感器機械臂軟浮動控制方法)	Our Company and Estun Robot	PRC	Invention patent	ZL2020115158066
27. . .	A weaving trajectory planning method for welding robots (一種焊接機器人的擺焊軌跡規劃方法)	Our Company and Estun Robot	PRC	Invention patent	ZL2020109112120
28. . .	A vibration suppression method for the stopping process of industrial robots (一種工業機器人停止過程段的振動抑制方法)	Our Company and Estun Robot	PRC	Invention patent	ZL2020108351105
29. . .	A weaving trajectory planning method for welding robots (一種焊接機器人的擺焊軌跡規劃方法)	Our Company and Estun Robot	PRC	Invention patent	ZL2020109112120
30. . .	An automatic mesh cloth pasting equipment (一種自動貼網格布設備)	Estun Robot	PRC	Invention patent	ZL2017106596765

Copyrights

As of the Latest Practicable Date, we have registered the following Copyrights which we consider to be material to our business:

No.	Copyright	Registered owner	Registration number	Place of registration
1 . . .	ESTUN robot integrated drive and control system software (埃斯頓機器人驅控一體控制系統軟件)	Our Company	2024SR1204067	PRC
2 . . .	ESTUN robot controller software based on real-time Linux system (埃斯頓基於實時Linux系統的機器人控制器軟件)	Our Company	2022SR1367471	PRC
3 . . .	ESTUN bending machine electro-hydraulic servo hybrid drive pump control system software (埃斯頓折彎機電液伺服混合驅動泵控系統控制軟件)	Our Company	2015SR208398	PRC
4 . . .	ESTUN intelligent module heating control software (埃斯頓智能模組加熱控制軟件)	Estun Intelligent (Jiangsu)	2024SR0941967	PRC
5 . . .	ESTUN automation intelligent system super wire pulling software (埃斯頓自動化智能系統超級拉線軟件)	Estun Intelligent (Jiangsu)	2024SR1346523	PRC
6 . . .	An intelligent control software for automated wire gluing (一種拉線自動化塗膠智能控制軟件)	Estun Intelligent (Jiangsu)	2024SR1909071	PRC
7 . . .	ESTUN robot laser welding application software (埃斯頓機器人激光焊接應用軟件)	Estun Intelligent (Jiangsu)	2024SR1110085	PRC
8 . . .	ESTUN robot arc welding application integrated system control software (埃斯頓機器人弧焊應用集成系統控制軟件)	Estun Intelligent (Jiangsu)	2024SR1083080	PRC
9 . . .	ESTUN bending robot dedicated offline programming software (埃斯頓折彎機器人專用離線編程軟件)	Estun Intelligent (Jiangsu)	2024SR1083075	PRC
10 . .	ESTUN palletizing robot motion control software (埃斯頓碼垛機器人運動控制軟件)	Our Company and Estun Intelligent (Jiangsu)	2024SR0890315	PRC
11 . .	ESTUN heavy-duty robot control system software (埃斯頓重載機器人控制系統軟件)	Estun Intelligent (Jiangsu)	2024SR0724832	PRC

No.	Copyright	Registered owner	Registration number	Place of registration
12 . .	ESTUN stamping-specific robot application software (埃斯頓衝壓專用機器人應用軟件)	Estun Intelligent (Jiangsu)	2024SR0352901	PRC
13 . .	ESTUN robot digital twin software (埃斯頓機器人數字孿生軟件)	Estun Intelligent (Jiangsu)	2023SR1468421	PRC
14 . .	Operation and maintenance edge computing software (standard edition) (運維精靈邊緣計算軟件(標準版))	Estun Intelligent (Jiangsu)	2023SR0616824	PRC
15 . .	ESTUN small and medium-load robot control system software (埃斯頓中小型負載機器人控制系統軟件)	Estun Intelligent (Jiangsu)	2021SR1530658	PRC
16 . .	ESTUN industrial robot end-effector identification software (埃斯頓工業機器人末端工具辨識軟件)	Estun Intelligent (Jiangsu)	2021SR0590107	PRC
17 . .	ESTUN robot spot welding application software (埃斯頓機器人點焊應用軟件)	Estun Intelligent (Jiangsu)	2017SR730076	PRC
18 . .	ESTUN robot vision system software (埃斯頓機器人視覺系統軟件)	Estun Intelligent (Jiangsu)	2016SR209494	PRC
19 . .	ESTUN SCARA robot motion control software (埃斯頓SCARA機器人運動控制軟件)	Our Company and Estun Intelligent (Jiangsu)	2012SR119766	PRC
20 . .	Teaching-free welding system (免示教焊接系統)	Carl Cloos (China)	2025SR0052254	PRC
21 . .	ESTUN intelligent sorting system software (埃斯頓智能分揀系統軟件)	Estun Intelligent	2025SR0052235	PRC
22 . .	An intelligent control software for robot 3D vision palletizing (一種機器人3D視覺碼垛智能控制軟件)	Estun Intelligent	2025SR0052159	PRC
23 . .	QE arc welding professional software (QE弧焊專業軟件)	Nanjing Cloos Robotics Automation Technology Co., Ltd.	2023SR1686114	PRC
24 . .	QP arc welding upgrade software (QP弧焊升級軟件)	Nanjing Cloos Robotics Automation Technology Co., Ltd.	2023SR1686147	PRC

No.	Copyright	Registered owner	Registration number	Place of registration
25 . .	ESTUN corrugated plate rolling machine CNC system (埃斯頓波紋卷板機數控系統)	Estun Software	2025SR0024687	PRC
26 . .	ESTUN multi-function torsion axis bending machine CNC system (埃斯頓多功能扭軸折彎機數控系統)	Estun Software	2025SR0024500	PRC
27 . .	ESTUN servo press CNC system (埃斯頓伺服壓力機數控系統)	Estun Software	2025SR0025405	PRC
28 . .	ESTUN industrial robot cloud monitoring software (埃斯頓工業機器人雲端監測軟件)	Estun Software	2024SR1038151	PRC
29 . .	ESTUN robot cloud service software (埃斯頓機器人雲服務軟件)	Estun Software	2024SR0891384	PRC
30 . .	ESTUN motion control automation testing software (埃斯頓運動控制自動化測試軟件)	Estun Software	2023SR1686316	PRC

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests of our Directors, and the chief executive of our Company

Save as disclosed below, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and options granted under the 2025 Share Option Scheme are not exercised), so far as our Directors are aware, none of our Director and chief executive has any interest or short positions in our Shares, underlying Shares or debentures of our Company or any 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 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 our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Name	Position	Nature of Interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares immediately prior to the Global Offering[(1)]	Approximate percentage of shareholding in the total share capital of our Company after the Global Offering[(2)]
Mr. Wu	Executive Director, chairman of the Board and chief strategic officer	Beneficial Owner	110,996,700	12.74%	11.47%
		Interest in Controlled Corporation	254,894,742	29.26%	26.34%
Mr. Wu Kan . .	Executive Director, vice chairman of the Board and general manager	Beneficial Owner	1,263,033	0.15%	0.13%
Mr. Zhu Chunhua . . .	Executive Director and deputy general manager	Beneficial owner	68,600	0.008%	0.007%
		Others[(2)]	40,000	0.005%	0.004%
Mr. Zhou Ailin	Executive Director and deputy general manager	Beneficial owner	164,500	0.02%	0.017%
		Others[(2)]	40,000	0.005%	0.004%
Mr. He Lingjun . . .	Executive Director, deputy general manager and financial director	Beneficial owner[(2)]	180,000	0.02%	0.019%
		Others[(2)]	60,000	0.007%	0.006%
Ms. Chen Yinlan	Non-executive Director	Beneficial owner	58,000	0.007%	0.006%
		Others[(2)]	25,160	0.003%	0.003%

Note(s):

(1) The calculation is based on the total number of 871,018,453 A Shares in issue as of the Latest Practicable Date.

(2) The calculation is based on the total number of 871,018,453 A Shares in issue as of the Latest Practicable Date and 96,780,000 H Shares (assuming the Over-allotment Option is not exercise and options granted under the 2025 Share Option Scheme are not exercised upon Listing).

(3) Each of Mr. Zhu Chunhua, Mr. Zhou Ailin, Mr. He Lingjun and Ms. Chen Yinlan was a grantee under the existing A share employee incentive scheme adopted in 2022. The underlying A shares are fully vested and will be unlocked in April 2026.

(b) Interests of the Substantial Shareholders

For the information on the persons who will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, please refer to the section headed "Substantial Shareholders."

2. Service Contracts

We have entered into a contract with each of our Directors in respect of, among other things, compliance with relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Each of our Directors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

3. Remuneration of Directors and Supervisors

Save as disclosed in the section headed "Directors and Senior Management" and "Appendix I — Accountants' Report — Notes to The Historical Financial Information — 8. Directors' and Supervisors' Emoluments", for the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, none of our Directors received other remunerations of benefits in kind from us.

4. Employee Incentive Scheme

The following is a summary of the principal terms of the Employee Incentive Schemes, namely the 2025 Share Option Scheme and the 2025 Restricted Share Scheme, and the details regarding the outstanding options granted under the 2025 Share Option Scheme. Since no further options or awards will be granted by our Company pursuant to the Employee Incentive Schemes after the Listing, the provisions of Chapter 17 of the Listing Rules do not apply to the terms of the Employee Incentive Schemes.

(a) 2025 Share Option Scheme

(i) Purpose

The purpose of the 2025 Share Option Scheme is to further enhance the Company's long-term incentive mechanism, attract and retain outstanding talent, and fully mobilize the enthusiasm of the Company's key staff. The scheme aims to effectively align the interests of shareholders, the Company, and the key staff members, ensuring that all parties focus on the Company's long-term development.

(ii) Source of the 2025 Share Option Scheme

Option granted pursuant to the 2025 Share Option Scheme is funded by A Shares to be allotted and issued by our Company.

(iii) Participants

The participants of the 2025 Share Option Scheme are core management personnel (i.e., directors and senior management), key technical staff and any other personnel that the Board consider to be appropriate and necessary to incentivize.

The scope of eligible participants excludes Directors, members of senior management, shareholders who individually or collectively hold 5% or more of the shares of our Company and their respective spouse, parents and children.

(iv) Scheme limit

The total number of underlying A shares which may be issued upon the exercise of all outstanding options granted under the 2025 Share Option Scheme shall be 3,500,000 A Shares. The aforementioned scheme limit shall be adjusted in the event of any alteration in the capital structure of our Company whilst any option remains exercisable, to proportionally reflect any capitalization of profits or reserves, bonus issue, rights issue, sub-division, consolidation of shares, dividend distribution, etc. of our Company.

(v) Maximum entitlement of a grantee

Any grant of the options to any grantees in respect of all the options granted to such person under all validly subsisting share incentive schemes of the Company in aggregate shall not exceed 1% of the shares in issue.

(vi) Duration of the 2025 Share Option Scheme

The 2025 Share Option Scheme shall be valid and effective for the period of time commencing from the date of grant of options, i.e. June 20, 2025 (the "**Effective Date**") and expiring on the day when all options granted to the eligible participants under the 2025 Share Option Scheme are exercised or cancelled, which shall in any event be no later than the date which is 48 months after the Effective Date.

(vii) Transferability of options

The options granted under the 2025 Share Option Scheme shall not be transferred or used as guarantee or for repayment of debts.

(viii) Outstanding options granted under the 2025 Share Option Scheme

As of the Latest Practicable Date, a total of 128 grantees have been granted outstanding options under the 2025 Share Option Scheme to subscribe for 3,320,000 A Shares in aggregate, representing 0.34% of the total issued shares immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the 2025 Share Option Scheme are not exercised). All the outstanding options under the 2025 Share Option Scheme were granted on June 20, 2025 and our Company will not grant any further options under the 2025 Share Option Scheme between the Latest Practicable Date and the Listing Date and any time after the Listing.

No consideration was payable for the grant of the options. Assuming full vesting and exercise of all outstanding options under the 2025 Share Option Scheme, the shareholding of our shareholders immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised) will be diluted by a maximum of approximately 0.32%.

As our Group incurred losses for the year ended December 31, 2024, the dilutive potential Shares, namely the options under the 2025 Share Option Scheme, were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended December 31, 2024 was the same as basic loss per share for the corresponding period.

As of the Latest Practicable Date, no option was granted to any Director, senior management or connected persons of the Company. The table below sets out the details of outstanding options granted to the 128 grantees.

Range of outstanding A Shares for Options granted	Total number of grantees	Total number of outstanding A Shares for Options granted	Exercise price	Date of grant	Approximate percentage of enlarged issued share capital of our Company immediately after the completion of the Global Offering[(1)]	Vesting schedule	Exercise period
1 – 10,000	0	0	*See Note 2 below*	June 20, 2025	0.00%	*See Note 3 below*	*See Note 4 below*
10,001 – 20,000 . .	18	360,000			0.04%		
20,001 – 30,000 . .	109	2,910,000			0.30%		
30,001 – 40,000 . .	0	0			0.00%		
40,001 or above . .	1	50,000			0.0052%		

Notes:

(1) The calculation is based on the total number of 871,018,453 A Shares in issue as of the Latest Practicable Date and 96,780,000 H Shares (assuming the Over-allotment Option is not exercise) in issue upon Listing.

(2) The exercise price is RMB20.53.

(3) The options will be vested in three batches, namely 30%, 30% and 40% on (i) 12-24 months, (ii) 24-36 months and (iii) 36-48 months, respectively, commencing from the grant date of the 2025 Share Option Scheme, i.e., June 20, 2025.

(4) The options will be exercised in three batches upon vesting, namely 30%, 30% and 40% on (i) 12-24 months, (ii) 24-36 months and (iii) 36-48 months, respectively, commencing from the grant date of the 2025 Share Option Scheme, i.e., June 20, 2025.

We have applied to the Stock Exchange and SFC, respectively for (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) a certificate of exemption under Section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting the Company from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See "Waivers from Strict Compliance with the Hong Kong Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver in respect of the 2025 Share Option Scheme."

(b) 2025 Restricted Share Scheme

(i) Purpose

The purpose of the 2025 Restricted Share Scheme is to improve our Group's corporate governance structure and incentivize our Group's management and key employees to achieve a sustained and long-term development of our Group. The 2025 Restricted Share Scheme is implemented to attract, retain and motivate management and key employees of our Group, and to promote the success of our Group's business by providing them with appropriate incentives based on fulfilling certain performance goals.

(ii) Administration

The 2025 Restricted Share Scheme is executed by the Board subject to the authorization by the Shareholders.

(iii) Eligibility and Participation

The participants of the 2025 Restricted Share Scheme are core management personnel (i.e., directors and senior management), key technical staff and any other personnel that the Board consider to be appropriate and necessary to incentivize.

The scope of eligible participants excludes Directors, members of senior management, shareholders who individually or collectively hold 5% or more of the shares of our Company and their respective spouse, parents and children.

(iv) Source and Maximum Number of Shares

The shares underlying the 2025 Restricted Share Scheme shall be A Shares to be allotted and issued by our Company.

(v) Maximum entitlement of Participants

Any grant of the awards to any grantees in respect of all the awards granted to such person under all validly subsisting share incentive schemes of the Company in aggregate shall not exceed 1% of the shares in issue.

(vi) Terms of the Scheme

The 2025 Restricted Share Scheme shall be valid and effective for the period of time commencing from the date of grant of awards, i.e. June 20, 2025 (the "**Effective Date**") and expiring on the day when all awards granted under the 2025 Restricted Share Scheme are unlocked or repurchased, which shall in any event be no later than the date which is 48 months after the 2025 Scheme Effective Date.

(vii) Performance Targets and Lock-up

Subject to fulfillment of the performance targets, the awards held by the participants shall be unlocked in three installments in the proportion of 30%, 30% and 40%, commencing from 12 months, 24 months and 36 months, respectively, after the date of grant.

(viii) Details of the Awards granted

As of the Latest Practicable Date, the aggregate number of A Shares granted under the 2025 Restricted Share Scheme was 4,000,000, representing approximately 0.46% of the issued share capital of our Company as at the Latest Practicable Date and approximately 0.41% of the total issued share capital of our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the 2025 Share Option Scheme are not exercised). As of the Latest Practicable Date, none of the granted restricted A Shares were released from the lock-up.

5. Disclaimers

Save as disclosed in this prospectus:

(a) none of our Directors or any of the parties listed in "Other Information — 5. Qualifications of Experts" of this Appendix is:

   (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or

   (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

(b) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in "Other Information — 5. Qualifications of Experts" of this Appendix:

(c) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO; and

(d) so far as is known to our Directors, none of our Directors or their respective close associates (as defined under the Listing Rules) or Shareholders who owns more than 5% of the issued shares of our Company has any interests in the five largest customers of the continuing operation or the five largest suppliers of the continuing operation of our Group.

OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of our Group, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules, and the Sole Sponsor will receive a fee of US$450,000 to act as the sponsor to our Company in connection with the Global Offering.

4. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

5. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this prospectus are as follows:

Name	Qualifications
Huatai Financial Holdings (Hong Kong) Limited.	A corporation licensed 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) of the regulated activities under the SFO

Name	Qualifications
Zhong Lun Law Firm	PRC legal advisor
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo	International Sanctions Legal Advisers

6. Consents

Each of the experts as referred to in the paragraph headed "5. Qualifications of Experts" of this Appendix has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it respectively included.

7. Taxation of Holders of H Shares

(1) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further details in relation to taxation, please refer to the section headed "Appendix III — Taxation and Foreign Exchange" to this prospectus.

(2) Consultation with professional advisers

Potential investors in the Global Offering are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, or any other person or party involved in the Global Offering accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

8. No Material Adverse Change

Except as otherwise disclosed in this prospectus, our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in the financial or trading position of our Company since December 31, 2024 (being the date to which the latest condensed consolidated financial statements of our Company were prepared).

9. Promoters

Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

10. Restrictions on Repurchase

For details, please refer to the sections headed "Appendix IV — Summary of Principal Legal and Regulatory Provisions" and "Appendix V — Summary of the Articles of Association" to this prospectus.

11. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of it, 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 so far as applicable.

12. Bilingual Prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

Save as otherwise disclosed in this prospectus:

(a) within the two years preceding the date of this prospectus, (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) 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 our A Shares which are listed on the Shenzhen Stock Exchange, our Company is not presently listed on any stock exchange or traded on any trading system; and

(h) our Company is a joint stock limited company and is subject to the PRC Company Law.

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) a copy of each of the material contracts referred to in the paragraph headed "Appendix VI — Statutory and General Information — Further Information about the Business of our Company — 1. Summary of Material Contracts" in this prospectus; and

(ii) the written consents referred to in the paragraph headed "Appendix VI — Statutory and General Information — Other information — 6. Consents" in this prospectus.

B. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of our Company at **www.estun.com** and on the website of the Stock Exchange at **www.hkexnews.com** up to and including the date which is 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the accountants' report from KPMG, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Group for the financial years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025;

(d) the letters from KPMG and the Sole Sponsor relating to the profit estimate of our Group for the year ended December 31, 2025, the text of which is set out in Appendix IA to this prospectus;

(e) the report from KPMG on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;

(f) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. referred to in the section headed "Industry Overview";

(g) the PRC legal opinions issued by Zhong Lun Law Firm, our PRC Legal Advisor, in respect of, among other things, certain general corporate matters and property interests of our Group under the PRC laws;

(h) the legal memorandum issued by Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo, our legal advisers as to International Sanctions in connection with the Listing, in respect of International Sanctions and U.S. Outbound Investment Rule;

(i) the service contracts between each of the Directors and the Company referred to in "Appendix VI — Statutory and General Information — Further Information About Our Directors and Substantial Shareholders — 2. Service Contracts";

(j) the material contracts referred to in "Appendix VI — Statutory and General Information — Further Information About Our Business — 1. Summary of Material Contracts";

(k) the written consents referred to in "Appendix VI — Statutory and General Information — Other Information — 6. Consents"; and

(l) the terms of the 2025 Share Option Scheme and 2025 Restricted Share Scheme.

C. DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of grantees under the 2025 Share Option Scheme, containing all the particulars as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of Zhong Lun Law Firm LLP at 4/F, Jardine House, 1 Connaught Place, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus.

南京埃斯顿自動化股份有限公司
ESTUN AUTOMATION CO., LTD