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Post Hearing Information Pack of

ROKAE (SHANDONG) ROBOTICS GROUP INC.
珞石(山東)機器人集團股份有限公司

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

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ROKAE (SHANDONG) ROBOTICS GROUP INC.

珞石(山東)機器人集團股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of International [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
[REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] and subject to [REDACTED])**
Nominal value	**:**	**RMB[0.1] per H Share**
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[REDACTED]

IMPORTANT

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies such as ours. In addition, we have incurred net losses since our inception, and we may incur net losses for the foreseeable future. We had net cash used in operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your* [**REDACTED**] *decision should be made in light of these considerations.*

There are risks associated with any [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in the section headed "Risk Factors" in this document. You should read that section carefully in full before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We primarily manufacture and sell robotic products, and, to a lesser extent, provide related robotic solutions in Chinese Mainland and overseas markets, dedicated to the design, development, manufacturing and commercialization of our offerings. Leveraging our proprietary technology platform, we have cultivated a dynamic robotic application portfolio, comprising industrial robots, flexible collaborative robots, embodied intelligent robots, and related robotic solutions characterized by performance, agility, intelligence, safety and robustness.

We provide a broad portfolio of intelligent robots and robotic solutions. Our industrial robots are engineered for manufacturing applications requiring significant speed, precision, and operational reliability. For processes necessitating seamless human-robot collaboration, our collaborative robots enable flexible manufacturing and intricate operations such as precision assembly and welding. Our embodied intelligent robots are the industry's first to achieve large-scale commercial deployment in the consumer electronics sector, according to the CIC Report, performing tasks including assembly operations, material handling and unmanned retail. Leveraging our broad product portfolio, proprietary technology platform, and expansive service network, we deliver robots and robotic solutions to over 1,000 customers from diverse industry sectors across over 40 countries and regions.

We are one of the earliest domestic companies in China capable of producing both industrial and collaborative robots at an annual production exceeding 1,000 units, reflecting an industry trend toward integrated manufacturing automation, according to the CIC Report. Although our business scale is relatively modest, this early capability was enabled by our proprietary robot technology platform and strategic R&D focus on concurrent development of both product lines from the outset. In terms of revenue in 2025, we ranked No. 6 among domestic robot providers in China's industrial robot market with a market share of 0.9%, and No. 6 in China's collaborative robot market with a market share of 4.8%, according to the CIC Report. We are also the only provider of flexible collaborative robots at an annual production exceeding 1,000 units among the top six collaborative robot providers in China. We are also one of the top five providers in China's embodied intelligent robotic arm market with a market share of 6.3%, according to the same source.

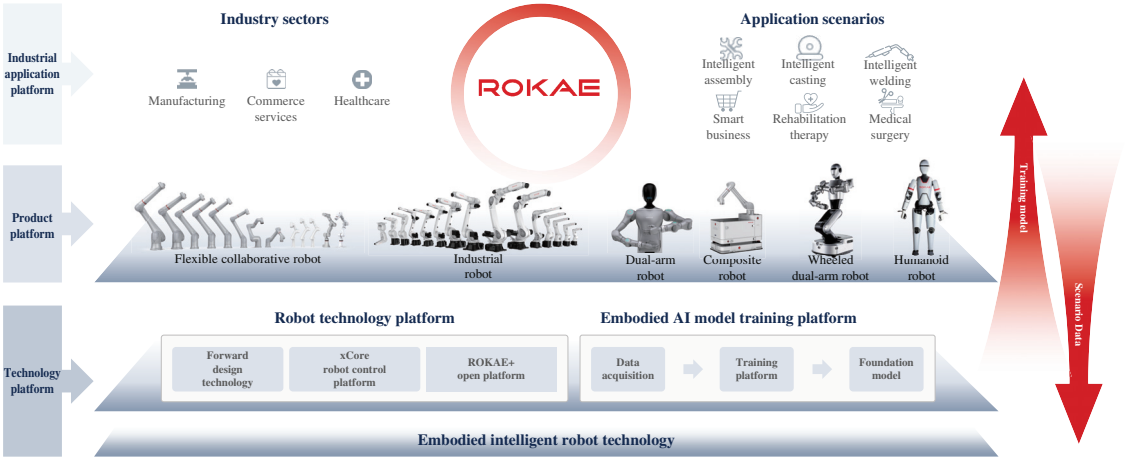
Our Market Opportunity

Driven by the accelerating population aging, rising labor costs, expanding downstream application scenarios, and growing policy support, China's industrial robot industry has continued to grow and is expected to reach RMB37.3 billion in 2030, at a CAGR of 9.3% from 2025 to 2030, according to the CIC Report. Within this industry, China's vertical articulated robot market is expected to reach RMB29.9 billion in 2030, at a CAGR of 8.9% from 2025 to 2030, and China's collaborative robot market is expected to reach RMB11.1 billion in China in 2030, at a CAGR of 30.7% from 2025 to 2030, according to the same source.

Collaborative robots are agile, safe, and easy-to-use machines that drive growth in intelligent automation. They enable seamless human-machine collaboration on production lines and fill application gaps beyond traditional industrial robots. Flexible collaborative robots have emerged to achieve built-in high-precision torque sensors in every joint, enabling refined force control and enhanced performance in accuracy, safety, and adaptability. China's flexible collaborative robot market is expected to reach RMB4.6 billion in 2030, at a CAGR of 32.4% from 2025 to 2030, according to the CIC Report. In 2025, we ranked No. 6 in China's collaborative robot market by sales revenue with a market share of 4.8%, and we are the only scaled provider of flexible collaborative robot products among the top six manufacturers, according to the same source.

Our Business Model

We have built a platform that fully integrates technology, products and applications. Based on this foundation, our robotic offerings meet critical performance benchmarks, such as repeatability, speed, and force control precision, on par with top international competitors. This enables efficient and rapid product iteration, supporting the transition towards intelligent automation worldwide. The following diagram is a simplified illustration of our business model.



Our technology platform is built on a suite of proprietary core technologies. The foundation of our platform is our proprietary robot design technology, powered by our self-designed xCore control system. This system supports multiple robot types and is enhanced by our embodied AI model training platform, which adds advanced AI capabilities in terms of multimodal perception, adaptive decision-making and real-time motion control to our robotic offerings. Our xCore control system offers standardized interfaces for hardware and process package expansion, allowing customers and partners to deploy customized solutions on their own while benefiting from shared AI insights that address last-mile challenges in various application scenarios. We provide full technical support through, among others, documentation, community forums, and training programs. Our AI Service Agent enables predictive maintenance to reduce downtime and ensure continuous operation. Based on our technology stack, we offer a diverse range of robots and process packages for a wide variety of application scenarios.

OUR ROBOTICS OFFERINGS

Our robotics offerings comprise a combination of robots and robotic solutions, which are marketed under multiple series and are well-suited for tasks in industrial, commercial services and healthcare scenarios. We offer our robots under three principal categories based on their application scenarios and interaction capabilities. Designed to meet diverse application scenarios ranging from high-speed, high-precision manufacturing to safe and flexible human-robot interaction, our robots comprise industrial robots, flexible collaborative robots, and embodied intelligent robots. We also provide industry-tailored robotic solutions, enabling intelligent automation across diverse industrial scenarios. Our robots are standardized products that come with multiple standard options tailored to common application scenarios.

The following table sets forth a breakdown of our revenue by product and solution category for the periods indicated.

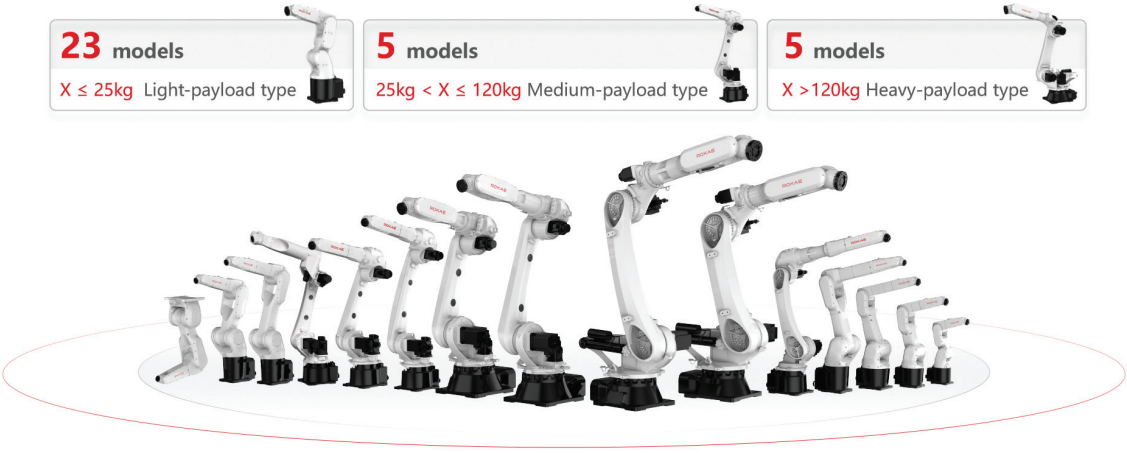
	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Total*	*Amount*	*% of Total*	*Amount*	*% of Total*
	(RMB in thousands, except for percentages)					
Sales of robotic products	181,608	68.0	268,666	82.6	409,918	78.6
Industrial robots	111,803	41.9	166,938	51.3	224,747	43.1
– Light-payload robots	*106,715*	*40.0*	*148,998*	*45.8*	*196,803*	*37.7*
– Medium-payload robots	*2,057*	*0.8*	*9,918*	*3.0*	*13,263*	*2.6*
– Heavy-payload robots	*3,031*	*1.1*	*8,022*	*2.5*	*14,681*	*2.8*
Flexible collaborative robots	67,041	25.1	94,643	29.1	138,157	26.5
Embodied intelligent robots	2,764	1.0	7,085	2.2	47,014	9.0
Provision of robotic solutions	79,211	29.7	51,112	15.7	100,014	19.2
Others[(1)]	6,206	2.3	5,479	1.7	11,815	2.2
Total	**267,025**	**100.0**	**325,257**	**100.0**	**521,747**	**100.0**

(1) Others comprise sales of spare parts related to robot products and other technical services.

Our Robots

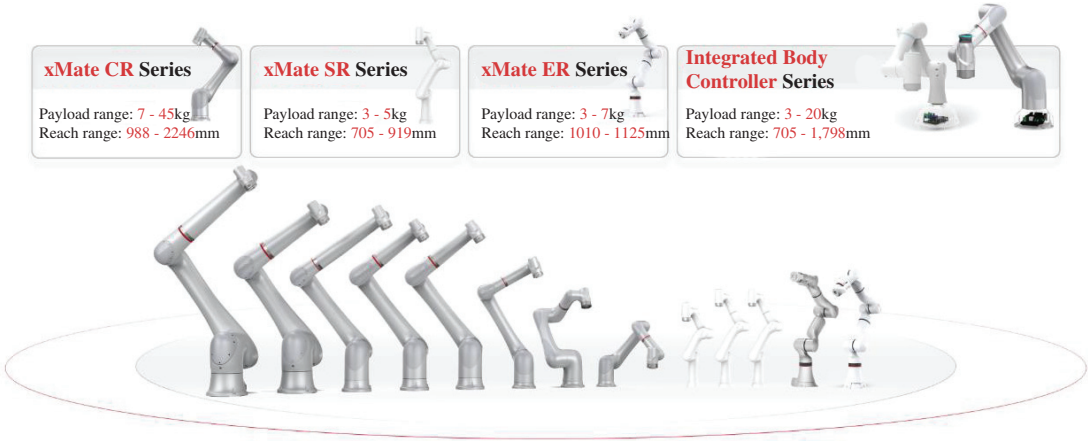
Industrial Robots

Industrial robots are programmable robotic arms with multiple degrees of freedom, designed for autonomous positioning and control. Equipped with joints and sensors, they can perceive their environment, make decisions, and perform physical tasks and are ideal for replacing manual labor in harsh, repetitive, or hazardous conditions. We offer a broad portfolio of industrial robots deployed across a wide range of application scenarios, including primarily the manufacturing scenarios. Our product line is segmented based on payload capacity into three categories, i.e., light-payload, medium-payload and heavy-payload, each engineered to meet the specific performance requirements of distinct industrial applications. The following diagram sets forth an illustration of our industrial robot series.



Flexible Collaborative Robots

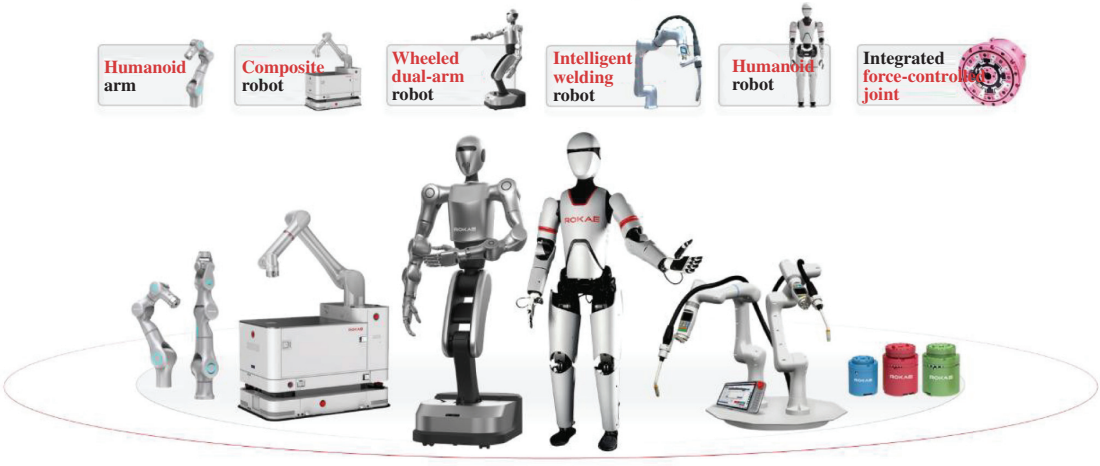
Collaborative robots are a key growth driver in intelligent automation, designed for safe, seamless human-robot collaboration. Unlike traditional industrial robots, they feature lightweight structures, adaptive motion, and enhanced safety mechanisms, allowing them to operate alongside workers without physical barriers. In particular, our collaborative robots consist entirely of flexible collaborative robots, as opposed to traditional collaborative robots. Specifically, our flexible collaborative robots have achieved built-in high-precision torque sensors in every joint, leveraging our integrated joint force control technology, which enables refined force control and enhanced performance in accuracy, safety, and adaptability. We deploy our flexible collaborative robots primarily in the manufacturing and commercial services scenarios. The following diagram sets forth an illustration of our flexible collaborative robot series.



Embodied Intelligent Robots

Our embodied intelligent robots include humanoid arms, composite robots, wheeled dual-arm robots, intelligent welding robots, humanoid robots, and integrated force-controlled joints that support multimodal sensory manipulation tasks. As of the Latest Practicable Date, we obtained more than 10,000 orders for embodied intelligent robots. According to the CIC Report, nearly half of China's top 10 embodied intelligent robot companies in terms of market valuation are using or have already switched to our humanoid arms for product iteration. We continue to enhance our robot body design and develop

embodied intelligence and perceptual interaction, which will serve to advance our robots from mere execution tools to true intelligent partners. We deploy our embodied intelligent robots primarily in the manufacturing and commercial services scenarios. The following diagram sets forth an illustration of our embodied intelligent robot series.



Our Robotic Solutions

We provide industry-tailored solutions to address unique operational needs of our customers. Our robotic solutions typically embody one or more robots we offer. We work closely with customers to develop one-stop solutions that address specific challenges and enhance operational efficiency. By customizing robotic solutions in new industry sectors on a project-based basis to set benchmark projects, we standardize our solutions and attract new customers in new sectors to scale our business. Our benchmark projects providing standardized solutions in specific industries to leading customers have built a broad and high-quality customer base in those industry sectors, providing a solid foundation for sustained growth. See "Business—Our Robotics Offerings" for details.

COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (1) we have built a robotic technology platform through forward design and development, (2) product coverage across three robot categories supported by rapid and cost-effective business deployment capability, (3) established customer and partnership network backed by our service capability and modular plug-ins and open interfaces, and (4) experienced senior management and business team.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business: (1) continue to increase R&D investment in technological upgrading, (2) continue to develop embodied intelligence and perceptual interaction, (3) continue to expand overseas to grow customer base and enhance brand influence, and (4) continue to attract and cultivate outstanding talents.

PATH TO PROFITABILITY

During the Track Record Period, while our revenue grew rapidly, our overall revenue scale was still insufficient to fully absorb our largely fixed cost base, resulting in limited operating leverage. Our business model focuses on long-term value creation through sustained investment in core technology platforms, including internally developed software algorithms. In parallel, we invested heavily in building an increasingly larger sales and marketing team to support business expansion and customer acquisition. Going forward, we intend to continue to grow our revenue, improve our net profit margin and improve net operating cash outflow position to drive up profitability. For details, see "Business—Path to Profitability."

RESEARCH AND DEVELOPMENT

We have built a platform that fully integrates technology, products and applications. The foundation of our platform is our proprietary robot design technology, powered by our self-designed xCore control system and our embodied AI model training platform, which adds advanced AI capabilities in terms of multimodal perception, adaptive decision-making and real-time motion control. to our robotic offerings. We execute our R&D efforts primarily through in-house activities, which focus on the development and enhancement of the core technologies for robotics, which we have established significant expertise since our inception in 2015. See "Business—Research and Development."

INTELLECTUAL PROPERTY RIGHTS

As of the Latest Practicable Date, we owned 186 registered patents, including 93 invention patents, 64 utility model patents and 29 design patents, and filed 43 patent applications which were pending approval. Except for five utility model patents, which are owned jointly by us and a third party, we owned all of our intellectual properties as of the Latest Practicable Date. Our Directors confirm that we did not have any material disputes or any other pending material legal proceedings of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date. See "Business—Intellectual Property Rights."

OUR SALES NETWORK

We have built up a customer base in Chinese Mainland and overseas across over 40 countries and regions. We sell our robots and related robotic solutions through primarily direct sales, and to a lesser extent, sell our robots to distributors.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

As a Chinese Mainland-based company, we have established and continue to forge relationships with domestic and international companies across different industry sectors. Our major customers are primarily engaged in manufacturing hardware, industrial equipment and components, as well as the provision of system integration services. We have a broad and growing customer base, which covers the Chinese domestic market and over 40 overseas countries and regions in Europe, other Asian markets, Americas, and Africa, supporting the technological upgrades to intelligent automation by our overseas customers. In 2025, our overseas revenue was RMB46.6 million, accounting for 8.9% of our revenue for the year.

In 2023, 2024 and 2025, revenue generated from our top five customers for each year during the Track Record Period accounted for 24.4%, 18.0% and 21.5% of our total revenue of such period, respectively, and revenue generated from our largest customer for each year during the Track Record Period accounted for 5.7%, 4.6% and 5.2% of our total revenue in the same periods, respectively. See "Business—Our Customers."

Our Suppliers

Our suppliers primarily consist of providers of materials, components and relevant services for the production of our robots. We primarily procure hardware accessories for robot production, such as castings and machine parts, speed reducers, and servo motors, from our major suppliers. We select leading suppliers in the relevant industry sectors in order to ensure the availability and quality of materials, components and services. Our suppliers are primarily located in China.

In 2023, 2024 and 2025, purchases from our top five suppliers for each year during the Track Record Period accounted for 25.1%, 27.5% and 31.0% of our total purchase amount of such period, respectively, and the purchase from our largest supplier for each year during the Track Record Period accounted for 11.3%, 8.8% and 8.5% of our total purchase amount in the same periods, respectively. See "Business—Our Suppliers."

OUR PRODUCTION

During the Track Record Period, we manufactured and produced our robotic products through our production facilities in Jining, Shandong Province. The following tables sets forth the details of the production capacities and utilization rates of our production lines during the Track Record Period.

Production lines	Production capacity of finished products (units)			Production volume of finished products (units)			Utilization rate		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Industrial Robots Production Line	2,914	4,896	7,619	2,358	4,128	7,042	80.9%	84.3%	92.4%
Collaborative Robots Production Line	1,645	2,448	5,280	1,588	2,251	4,776	96.5%	92.0%	90.5%
Embodied Intelligent Robots Production Line	N/A	N/A	1,285	N/A	N/A	1,207	N/A	N/A	93.9%
Total	**4,559**	**7,344**	**14,184**	**3,946**	**6,379**	**13,025**	**86.6%**	**86.9%**	**91.8%**

See "Business—Our Production—Our Production Facilities."

RISK FACTORS

Our business and operations involve certain risks and uncertainties including those set out in the "Risk Factors" section in this document. Some of the major risk factors that we face include: (1) uncertainties in the growth of the size of our addressable markets and the demand for our products and solutions; (2) failure to compete with our competitors; (3) failure to advance our technology development and introduce new products and solutions; (4) limited operating history; (5) unsuccessful execution of our

growth strategies; (6) failure to retain existing customers or attract new customers; and (7) failure to enhance our brand recognition and sales and marketing capabilities. As different [**REDACTED**] may have different interpretations and criteria when determining the significance of a risk, you should carefully read the "Risk Factors" section in its entirety before you decide to [**REDACTED**] in our [**REDACTED**].

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following is a summary of our historical financial information as of and for the years ended December 31, 2023, 2024 and 2025, extracted from the Accountants' Report set out in Appendix I to this document. The summary below should be read in conjunction with the consolidated financial information in Appendix I, including the accompanying notes and the information set forth in the section headed "Financial Information" in this document. Our consolidated financial information was prepared in accordance with the HKFRSs.

Summary of Consolidated Statement of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss items for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Revenue*	*Amount*	*% of Revenue*	*Amount*	*% of Revenue*
	(RMB in thousands, except for percentages)					
Revenue	267,025	100.0	325,257	100.0	521,747	100.0
Cost of revenue	(236,454)	(88.6)	(254,065)	(78.1)	(407,579)	(78.1)
Gross profit	**30,571**	**11.4**	**71,192**	**21.9**	**114,168**	**21.9**
Loss before tax	**(157,464)**	**(59.0)**	**(191,756)**	**(59.0)**	**(179,312)**	**(34.4)**
Income tax expense	–	–	–	–	–	–
Loss for the year	**(157,464)**	**(59.0)**	**(191,756)**	**(59.0)**	**(179,312)**	**(34.4)**

Non-HKFRS Measure

We define adjusted net loss (non-HKFRS measure) as loss for the year or period adjusted for interest on redemption liabilities, modification on redemption liabilities, share-based payment expenses and [**REDACTED**] expenses. Modification of redemption liabilities is a gain resulting from the deferral of the exercise date of the redemption right. [**REDACTED**] expenses are incurred with the [**REDACTED**] and [**REDACTED**]. Share-based payment expenses are non-cash expenses arising from the share incentives that we grant to employees. Interests on redemption liabilities represent interests accrued on the redemption rights of the Pre-[**REDACTED**] Investors included in our financing arrangements. The redemption liabilities will be derecognized upon the termination of the redemption rights and there will be no more interest on redemption liabilities regarding such Pre-[**REDACTED**] Investments upon the [**REDACTED**]. The following table sets out a reconciliation from adjusted net loss (non-HKFRS measure) presented in accordance with the HKFRSs, which is loss for the year.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Loss for the year	(157,464)	(191,756)	(179,312)
Add: interests on redemption liabilities	68,209	99,937	122,284
Add: modification of redemption liabilities	(13,919)	–	–
Add: share-based payment expenses	1,847	19,351	–
Add: [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net loss (non-HKFRS measure)	**(101,327)**	**(72,468)**	**(41,672)**

Our net loss increased from RMB157.5 million in 2023 to RMB191.8 million in 2024, primarily due to (1) the increase in finance costs, primarily due to an increase in interests on redemption liabilities, as a result of the increasing interests accrued on the redemption rights of the Pre-[**REDACTED**] Investors included in our financing arrangements along with our increasing financing activities, (2) the increase in administrative expenses, primarily due to the increase in the share-based compensation recognized in relation to an equity transaction between Shareholders of the Company, and (3) the increase in impairment losses under ECL model, net of reversal, primarily due to the increase in impairment losses recognized on trade receivables as a result of the increased trade receivables in line with revenue growth.

Our net loss decreased from RMB191.8 million in 2024 to RMB179.3 million in 2025, primarily due to (1) the increase in revenue from the sales of robotic products, as a result of (i) the increase in sales volume of our industrial, collaborative and embodied intelligent robots, and (ii) the improvement of our gross profit, and (2) the decrease in impairment losses under ECL model, net of reversal, primarily due to the decrease in impairment losses recognized on trade receivables as a result of the refinement in our trade receivables management by which we strengthened the monitoring of trade receivables collections. See "Financial Information—Results of Operations."

Cost of Revenue

In 2023, 2024 and 2025 our cost of revenue was RMB236.5 million, RMB254.1 million and RMB407.6 million, respectively, representing 88.6%, 78.1% and 78.1% of our revenue for the same periods, respectively. The following table sets forth a breakdown of our cost of revenue by nature for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Total*	*Amount*	*% of Total*	*Amount*	*% of Total*
	(RMB in thousands, except for percentages)					
Raw material costs	190,184	80.4	213,368	84.0	347,192	85.2
Overhead costs	15,557	6.6	15,747	6.2	27,117	6.7
Direct labor costs	16,229	6.9	16,738	6.6	26,998	6.6
Subtotal	**221,970**	**93.9**	**245,853**	**96.8**	**401,307**	**98.5**
Write-down of inventories	14,484	6.1	8,212	3.2	6,272	1.5
Total	**236,454**	**100.0**	**254,065**	**100.0**	**407,579**	**100.0**

Our cost of revenue increased during the Track Record Period, primarily due to the increase in raw material costs in line with the increase in the sales volume of our robotic products, partially offset by the decrease in write-down inventories, primarily due to (1) a decrease in the unit cost of our key raw materials, mainly driven by our enhanced bargaining power with suppliers, and (2) the increase in our inventory turnover rate, as a result of our enhanced inventory management efforts. See "Financial Information—Discussion of Certain Balance Sheet Items—Inventories."

Summary of Consolidated Statements of Balance Sheet

The following table sets forth a summary of our consolidated balance sheet as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	**220,797**	**203,042**	**297,812**
Total current assets	**773,651**	**760,954**	**955,675**
Total current liabilities	**249,246**	**201,390**	**354,593**
Net current assets	**524,405**	**559,564**	**601,082**
Total assets less current liabilities	**745,202**	**762,606**	**898,894**
Total non-current liabilities	**1,496,694**	**1,686,241**	**2,056,784**
Net liabilities	**(751,492)**	**(923,635)**	**(1,157,890)**

We recorded net liabilities of RMB751.5 million, RMB923.6 million, and RMB1,157.9 million as of December 31, 2023, 2024 and 2025, respectively. The increase in net liabilities was mainly driven by the growing redemption obligations in connection with the redemption rights held by our Pre-[**REDACTED**] Investors and accumulated losses, partially offset by increases in capital and other reserves for equity-settled share-based payment and modifications to certain ordinary shares. Specifically, our net liabilities increased from RMB751.5 million as of December 31, 2023 to RMB923.6 million as of December 31, 2024, primarily due to net loss of RMB191.8 million recorded in 2024, with the reasons abovementioned, partially offset by share-based payments of RMB19.4 million recorded in 2024. Our net liabilities increased from RMB923.6 million as of December 31, 2024 to RMB1,157.9 million as of December 31, 2025, primarily due to net loss of RMB179.3 million in 2025, with the reasons abovementioned. The redemption liabilities will be derecognized upon the termination of the redemption rights and there will be no more interest on redemption liabilities regarding such Pre-[**REDACTED**] Investments upon the [**REDACTED**]. In addition, the carrying amount of the redemption liabilities will be recognized to equity, and our net liabilities position is expected to turn into net assets position upon such recognization. See "Financial Information—Discussion of Certain Balance Sheet Items."

Summary of Consolidated Statements of Cash Flows

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

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Operating loss before changes in working capital	(63,136)	(35,725)	(32,800)
Working capital changes	(32,097)	(87,766)	(44,720)
Cash used in operations	(95,233)	(123,491)	(77,520)
Income tax paid	–	–	–
Net cash used in operating activities	**(95,233)**	**(123,491)**	**(77,520)**
Net cash from/(used in) investing activities	**22,548**	**(278,738)**	**(121,361)**
Net cash from/(used in) financing activities	**507,545**	**(27,404)**	**191,803**
Cash and cash equivalent at beginning of the year	**16,266**	**451,410**	**21,811**
Cash and cash equivalent at end of the year	**451,410**	**21,811**	**14,801**

During the Track Record Period, we remained in a net operating cash outflow position with fluctuations, primarily due to our net loss for the relevant periods. Our net operating cash outflow position was generally in line with our loss before tax position, adjustments for major non-cash items such as other gain and losses, finance cost, depreciation and amortization and write-down of inventories. In addition, our net operating cash outflow position was further amplified by working capital movements that negatively affected our operating cash flows, including primarily the increases in trade and notes receivables and contract assets as we scaled our operations, the increases in inventories and contract costs as we increased the procurement of raw materials to meet market demands.

Our net operating cash outflow increased from RMB95.2 million for the year ended December 31, 2023 to RMB123.5 million for the year ended December 31, 2024, as trade and notes receivables expanded in step with our larger customer base and increased operation scale. Our net operating cash outflow decreased from RMB123.5 million for the year ended December 31, 2024 to RMB77.5 million for the year ended December 31, 2025, primarily driven by a smaller increase in trade receivables compared to 2024 as a result of our continued improvements in collection efforts. See "Financial Information—Liquidity and Capital Resources—Cash Flows."

Key Financial Ratios

	As of/for the year ended December 31,		
	2023	2024	2025
Profitability:			
Gross profit margin	11.4%	21.9%	21.9%
Liquidity:			
Current ratio	3.1	3.8	2.7
Quick ratio	2.7	3.3	2.1

See "Financial Information—Key Financial Ratios."

THE GROUP OF OUR CONTROLLING SHAREHOLDERS

Mr. Tuo is our ultimate Controlling Shareholder. As of the Latest Practicable Date, Mr. Tuo collectively controlled 38.78% of the voting power at the general meetings of our Company, comprising (1) 13.46% directly held by Mr. Tuo, (2) 15.44% collectively held by Ruluo Brothers LP and Luoshi Brothers LP, which are our Employee Share Ownership Platforms and are controlled by Mr. Tuo acting as the sole general partner, (3) 4.94%, 2.89% and 2.05% held by Tibet Meiling and Hubei Meihua, Jiaxing Yuanshi and Shandong Zhengfang, respectively, which are our [**REDACTED**] Investors and have vested to Mr. Tuo the right to ultimately control over the voting power of such Shares held by them pursuant to certain Voting Proxy Agreements. Upon the [**REDACTED**], Mr. Tuo will collectively control [**REDACTED**]% of the voting power at the general meetings of our Company through the aforementioned interests and voting proxy arrangements. Therefore, Mr. Tuo, together with Ruluo Brothers LP and Luoshi Brothers LP, constituted the group of our Controlling Shareholders as of the Latest Practicable Date and will be the group of our Controlling Shareholders upon the [**REDACTED**] pursuant to the Listing Rules. For further details, see "History, Development and Corporate Structure" and "Relationship with our Controlling Shareholders."

[**REDACTED**] INVESTMENTS

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of [**REDACTED**] Investments since the incorporation of our Company. See "History, Development and Corporate [**REDACTED**] Investments" for details of the principal terms of our [**REDACTED**] investments and the identity and background of our [**REDACTED**] Investors.

CSRC FILING

We submitted a filing to the CSRC for [**REDACTED**] of the [**REDACTED**] and the [**REDACTED**] on September 30, 2025 and received notice of completion of filing issued by the CSRC on March 26, 2026.

[**REDACTED**]

DIVIDENDS

We are a holding company incorporated under the laws of the PRC. We currently do not have any formal dividend policy or pre-determined dividend payout ratio. During the Track Record Period, we did not declare or pay any dividends. Any dividends we pay will be determined at general meetings of Shareholders and implemented by our Board, and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors. As advised by our PRC Legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

[**REDACTED**] EXPENSES

We expect to incur a total of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) of [**REDACTED**] expenses in connection with the [**REDACTED**], representing approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] at the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], assuming that the [**REDACTED**] is not exercised, including (1) [**REDACTED**], SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all [**REDACTED**] of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), and (2) non-[**REDACTED**] related expenses of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), and (ii) [**REDACTED**] fee and other fees and expenses of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million). Approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) is expected to be deducted from equity. The [**REDACTED**] expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

[**REDACTED**] STATISTICS

The statistics in the following table are based on the assumptions that (1) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are newly [**REDACTED**] in the [**REDACTED**]; (2) the [**REDACTED**] for the [**REDACTED**] is not exercised; and (3) the redemption liabilities are not converted into [**REDACTED**] following the completion of the [**REDACTED**]:

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]
[**REDACTED**][(1)]	HK$[**REDACTED**] million
Unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to owners of the Company per Share[(2)]	HK$[**REDACTED**]

(1) Assuming [**REDACTED**] Shares are [**REDACTED**] and [**REDACTED**] following the completion of the [**REDACTED**].

(2) The unaudited [**REDACTED**] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as of December 31, 2025 is calculated after making the adjustments referred to in Appendix II and on the basis of [**REDACTED**], being the number of Shares without redemption right expected to be in issue immediately following the completion of the [**REDACTED**], assuming the share subdivision has been completed as set out in Note 36 of the Accountants' Report in Appendix I to this document. It does not take into account (i) any Shares which may be allotted and issued pursuant to the exercise of [**REDACTED**], or (ii) termination of the preferential rights of redemption liabilities upon completion of [**REDACTED**].

Upon completion of the [**REDACTED**], the termination of preferential rights of shares with preferential rights would have resulted in conversion of the redemption liabilities to ordinary shares, without the payment and any additional consideration.

Had the conversion been assumed to take place as at December 31, 2025, the unaudited [**REDACTED**] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025 would be approximately RMB[**REDACTED**], based on the [**REDACTED**] of HK$[**REDACTED**]. The number of Shares used in the calculation would be [**REDACTED**] after assuming the above termination and the share subdivision has been completed. The unaudited [**REDACTED**] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as of December 31, 2025 would be RMB[**REDACTED**] (equivalent to HK$[**REDACTED**]), based on the [**REDACTED**] of HK$[**REDACTED**] per Share.

USE OF [REDACTED]

We estimate that the net [**REDACTED**] of the [**REDACTED**], after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**], will be approximately HK$[**REDACTED**] million, at the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], without the exercise of the [**REDACTED**]. Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for enhancing our R&D capabilities and enriching our offerings in robots and related solutions; approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used to develop our overseas sales network to increase our market share and support the growth of our international business; approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for enhancing our production efficiency and capability to support the rapid growth of our business; approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for strategic investment to achieve long-term development goals. We seek investment opportunities within the upstream and downstream sectors, primarily aimed at reducing costs and improving efficiency in upstream components while expanding downstream application scenarios; approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for working capital and other general corporate purposes. See "Future Plans and Use of [**REDACTED**]."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGES

We have continued to expand our network of partners and customers subsequent to the Track Record Period. In particular, the sales volume of our robotic products has been on an upward trajectory. In the first quarter of 2026, we introduced and began mass production of our HSA series force-controlled joint modules for humanoid robots. We also achieved a total shipment volume of over 5,100 robotic products in the first quarter of 2026, including over 2,000 embodied intelligent robots. As of March 31, 2026, we had confirmed orders in process of RMB577.3 million, including RMB510.2 million of robotic product orders and RMB66.3 million of robotic solution orders. In 2026, we expect to record increasing net loss, primarily as a result of (1) the share-based compensation expenses recognized prior to the [**REDACTED**], as the vesting condition of the shares awarded is contingent on the [**REDACTED**], and therefore no share-based compensation expenses is recognized until the [**REDACTED**] is concluded highly probable in 2026; and (2) the further accrual of interest expense on redemption liabilities in connection with our [**REDACTED**] Investments, which is expected to adversely affect our financial performance in 2026. Upon [**REDACTED**], the redemption rights will be terminated and the related redemption liabilities will be derecognised, and we will no longer recognise such interest expense thereafter.

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there is no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this document.

INTERNATIONAL TRADE POLICIES, GEOPOLITICS, AND TRADE RESTRICTIONS

We are subject to risks from the continuously evolving international trade and regulatory environment, including in areas such as export controls, sanctions, and foreign investments. These dynamics can adversely affect our supply chain, limit our access to markets or technologies, and increase our compliance costs and operational complexity.

During the Track Record Period and up to the Latest Practicable Date, our procurement and sales have complied with the U.S. export control laws and regulations. Although we conducted Russia-related business, we are advised by our International Sanctions Legal Advisor that (1) our sales to Russia did not constitute primary sanctioned activity as defined under Chapter 4.4 of the Guide for New Listing Applicants (the "Primary Sanctioned Activity") and the exposure to secondary sanctions risks is remote under the U.S. sanction laws; (2) for other jurisdictions, our business complies with the applicable sanctions laws and regulations of the jurisdictions where we operate. Apart from the aforesaid, we have not engaged in sanctioned or sanctionable activity involving any person listed on the sanctions lists of the United Nations ("U.N."), the European Union ("E.U."), the United Kingdom ("U.K."), Australia, and other applicable jurisdictions. Although the relevant jurisdictions impose sanctions against Russia, given that our Russian-related businesses have no nexus with the E.U., U.K., Australia and other applicable jurisdiction, our International Sanctions Legal Advisor is of the view that there are no indications that our business have violated applicable sanctions laws and regulations in all jurisdictions where we operated during the Track Record Period and up to the Latest Practicable Date.

Apart from our Russia-related business, one of our customers was listed on the SDNs List (the "SDNs Customer") in September 2024. We conducted transactions with the SDNs Customer in December 2024, July 2025, and October 2025 after its designation on the SDNs List the revenue generated from such

SDNs Customer accounted for 0.1% and 0.01% of the Group's total revenue for 2024 and 2025. As advised by our International Sanctions Legal Advisor, in the absence of evidence indicating that our business with the SDNs Customer may involve deceptive practices used to evade U.S. sanctions, since no U.S. nexus was involved in the transactions with the SDNs Customer, such transactions do not constitute Primary Sanctioned Activities. We ceased all transactions with the SDNs Customer in October 2025.

In addition, on October 28, 2024, the U.S. Department of the Treasury issued a Outbound Investment Rule on outbound investment, or the Outbound Investment Rule, to implement an outbound investment program that restricts investments by U.S. persons and U.S.-controlled entities imposed by Executive Order 14105, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern." The Outbound Investment Rule became effective on January 2, 2025. Under the Outbound Investment Rule, we are advised by our International Sanctions Legal Advisor that our business should be categorized as a notifiable activity, as we have developed an AI system intended to be used for the control of robotics systems. Therefore, we are advised by our International Sanctions Legal Advisor that we are a "covered foreign person" under the Outbound Investment Rule, and U.S. person's investment to us constitutes a notifiable transaction. However, once our H Shares are [**REDACTED**] and become [**REDACTED**], subsequent [**REDACTED**] are exempted under the publicly traded securities exception. See "Business—Trade Restrictions, Sanctions, and Tariff" and "Risk Factors—Risks Relating to Our General Operations and Industry—We are exposed to risks associated with U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by U.S. persons for certain investments."

In this document unless the context otherwise requires the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary" in this document.

"Accountants' Report"	the accountants' report for Track Record Period prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company, as amended, which shall become effective on the [**REDACTED**], a summary of which is set out in Appendix V to this document
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of our Company
"business day"	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
"CAC"	the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)

[**REDACTED**]

"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this document, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"CIC"	China Insights Industry Consultancy, a consulting firm that provides market research and analysis

"CIC Report"	a commissioned industry report prepared by CIC
"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"	Rokae (Shandong) Robotics Group Inc. (珞石(山東)機器人集團股份有限公司), incorporated under the PRC laws as a limited liability company on December 15, 2014 and was converted into a joint stock company on December 9, 2024
"Company Law" or "PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Tuo, Luoshi Brothers LP and Ruluo Brothers LP
"Conversion of Unlisted Shares into H shares"	the conversion of 226, 759, 680 Unlisted Shares into H Shares (immediately following the Share Subdivision) on a one-for-one basis upon the completion of [**REDACTED**], as described in further detail in "Share Capital"
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSDC (Hong Kong)"	China Securities Depository and Clearing (Hong Kong) Company Limited
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Employee Share Ownership Platforms"	our employee share ownership platforms, including Luoshi Brothers LP and Ruluo Brothers LP or any one of them as the context may require
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[**REDACTED**]

"Group," "our Group," "the Group," "we," or "us"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.1 each, which are to be [**REDACTED**] for and [**REDACTED**] in HK dollars and to be [**REDACTED**] on the Stock Exchange

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong dollars," "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

"Hubei Meihua"	Hubei Meihua Shengshi Equity Investment Partnership (Limited Partnership) (湖北梅花晟世股權投資合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC on November 9, 2017, a Shareholder of our Company
"independent third party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules
	[**REDACTED**]
"International Sanction Legal Advisor"	King & Wood, our legal advisor as to International Sanctions laws in connection with the [**REDACTED**]
	[**REDACTED**]
"Jiaxing Yuanshi"	Jiaxing Yuanshi Equity Investment Partnership (Limited Partnership) (嘉興元石股權投資合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC on April 16, 2025, a Shareholder of our Company
	[**REDACTED**]
"Joint Sponsors"	the joint sponsors as named in "Directors and Parties Involved in the [**REDACTED**]"
"Latest Practicable Date"	June 20, 2026, being the latest practicable date for ascertaining certain information in this document before its publication

[**REDACTED**]

"Listing Committee"	the Listing Committee of the Stock Exchange

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Luoshi Brothers LP"	Zoucheng Luoshi Brothers Management Consulting Partnership (Limited Partnership) (鄒城珞石兄弟管理諮詢合夥企業(有限合夥)), a limited partnership established under the PRC laws on December 28, 2018, a member of the group of our Controlling Shareholders
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Mr. Tuo"	Mr. Tuo Hua (庹華), our founder, executive Director, chairman of our Board, general manager and a member of the group 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)

[**REDACTED**]

"PRC Legal Advisor"	Allbright Beijing Law Office, being the legal advisor to the Company as to the PRC laws
"Regulation S"	Regulation S under the U.S. Securities Act

"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rokae Beijing"	Rokae (Beijing) Robotics Co., Ltd. (珞石(北京)機器人有限公司), a wholly owned subsidiary of our Company
"Rokae New Energy"	Rokae New Energy (Shanghai) Robotics Co., Ltd. (珞石新動能(上海)機器人有限公司), a wholly owned subsidiary of our Company
"Rokae Shandong"	Rokae (Shandong) Intelligent Technology Co., Ltd. (珞石(山東)智能科技有限公司), a wholly owned subsidiary of our Company
"Rokae Wuhan"	Rokae (Wuhan) Robotics Co., Ltd. (珞石(武漢)機器人有限公司), a wholly owned subsidiary of our Company
"Ruluo Brothers LP"	Zoucheng Ruluo Brothers Enterprise Management Consulting Partnership (Limited Partnership) (鄒城如珞兄弟企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the PRC laws on July 10, 2017, a member of the group of our Controlling Shareholders
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"Sanctioned Country"	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction
"Sanctioned Target"	a person or entity (i) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Sanctioned Country; or (iii) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii)
"SAT"	the State Administration of Taxation (國家税務總局)
"SCNPC"	Standing Committee of the National People's Congress, the permanent body of the National People's Congress of the PRC
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong

"Shandong Zhengfang"	Shandong Zhengfang High-tech Industry Holdings Group Co., Ltd. (山東正方高新產業控股集團有限公司), a limited liability company incorporated under the laws of the PRC on December 6, 2019, a Shareholder of our Company
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.1 each upon completion of the Share Subdivision; before the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each
"Share Subdivision"	the subdivision of the Shares by our Company where our Company subdivided its Share from one Share of RMB1.0 each into four Shares of RMB0.1 each, which will become effective immediately prior to the [**REDACTED**]
"Shareholder(s)"	holder(s) of our Share(s)

[**REDACTED**]

"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
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Tibet Meiling"	Tibet Meiling Huakai Investment Partnership (Limited Partnership) (西藏梅嶺花開投資合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC on December 3, 2014, a Shareholder of our Company
"Track Record Period"	the period consisting of the three years ended December 31, 2025
"Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (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

[**REDACTED**]

"United States" or the "U.S."	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia

"Unlisted Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB0.1 each (taking into account the Share Subdivision), which are not listed on any stock exchange upon completion of the Share Subdivision; before the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which are not listed on any stock exchange
"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
"US$" or "US dollars"	United States dollars, the lawful currency of the United States
"Voting Proxy Agreements"	Voting proxy agreements entered into by each of Tibet Meiling and Hubei Meihua, Jiaxing Yuanshi and Shandong Zhengfang with Mr. Tuo, the details of which are set out in "Relationship with Our Controlling Shareholders" section
"%"	Percent

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

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

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or entities have been included in this document in both the Chinese and English languages; the English versions are for identification purposes only and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY

This glossary contains certain technical terms used in this document in connection with our Company and our business. Such terms and their meanings may not correspond to standard industry definitions or usage.

"absolute positioning accuracy"	the precision with which a robot can move to a specific point in its workspace relative to a fixed coordinate system
"AC servo motors"	a servo control system powered by alternating current (AC) that precisely controls the position, speed, and torque of an electric motor, which is widely used in industrial robots, CNC machine tools, automation equipment, and other fields
"algorithm"	a step-by-step procedure or set of rules, often implemented in computer code, designed to perform a specific task or solve a particular problem
"artificial intelligence" or "AI"	the ability of a machine or computer system to perform tasks that typically require human intelligence
"automation"	the application of various control systems, such as controller, robots, and information technologies, to operate equipment and processes in a wide range of industries
"axis" or "axes"	a degree of freedom, where increasing the number of axes allows the cobot to access a greater amount of space by giving it more degrees of freedom
"CAGR"	compound annual growth rate
"collaborative robots"	robots with operational robotic arms intended for direct human-robot interaction or collaboration within a shared space or where humans and robots are operating in proximity
"controllers"	systems connected to the robot in order to control the movements of the robots
"cycle time"	the time it takes a cobot to complete one full cycle of its programmed task
"degree of freedom"	the count of independent axis of motion that a robotic system can autonomously manipulate to perform tasks
"dexterous hand"	a robotic hand actuator featuring multiple degrees of freedom, high flexibility, and precise control capabilities, typically used to simulate the operational behavior of the human hand
"embodied AI model"	an artificial intelligence that requires a physical body, like a robot with cameras, arms, or wheels, to learn and function

GLOSSARY

"embodied intelligent robots"	a new generation of robotic systems built on the core concept of embodied intelligence, functioning as intelligent agents that rely on a physical body to perceive, interact, and act within their environment
"encoders"	electromechanical devices designed to convert mechanical motion into electrical signals, which can provide feedback on angular velocity and displacement
"end-effector"	the tool mounted on the robot according to the customer's requirements, such as vacuum suction cups, pneumatic grippers, electric grippers, specialized jigs, or dispensing valves
"flexible collaborative robots"	robotic systems with native force control capabilities, featuring built-in high-precision torque sensors in each joint that enable global multi-point force control
"full-state feedback"	an advanced perception and response mechanism within a robotic control system, referring to a robot's ability to acquire and process complete state information of all its joints and end effectors in real time during operation
"force sensor"	a sensor that measures force by converting the input of mechanical force into the output of an electrical signal
"GB 9706"	a series of mandatory standards for medical electrical equipment, required by the National Medical Products Administration (NMPA) in China
"IEC 60601"	a series of international standards, published by the International Electrotechnical Commission (IEC), that specify safety and performance requirements for medical electrical equipment and is widely recognized as the benchmark for medical device safety
"industrial robots"	automatically controlled, reprogrammable, multi-purpose robotic arms used for automation applications in industrial environments
"IP67"	ingress protection rating, with 6 referring to the highest level of protection for solids to withstand solid foreign objects on a scale of 0 to 6, and 7 referring to water protection rating against the effects of immersion in water for 30 minutes and one meter deep
"ISO"	International Organization for Standardization, an independent international organization that develops and publishes international standards across various industries. These standards cover a wide range of topics, including quality, safety, efficiency, and interoperability
"MTBF certification"	a certification of the mean time between failures, which measures the reliability of a product

"OEM"	original equipment manufacturer, a company whose goods are used as components in the products of another company
"payload"	the maximum weight that the robot can handle while performing its tasks
"repeat positioning accuracy" or "repeatability"	indicates the ability of a cobot to consistently reproduce the same pose within a given tolerance
"RSC"	robotic safety controller, designed to prevent accidents by ensuring that robots operate within defined safety parameters
"R&D"	research and development
"sensor"	a device that measures or detects real-world conditions, such as motion, heat or light, and converts the conditions into analog or digital representations
"servos"	the controller for the joint motors in cobots, which enables high-precision control of position, velocity, and acceleration, ensuring that collaborative robots maintain high repeatability and accuracy when performing complex tasks. Additionally, it can precisely control output torque, allowing cobots to apply appropriate force when executing tasks such as assembly and gripping
"SLAM"	Simultaneous Localization and Mapping, a process where a robot creates a map of an unknown environment while simultaneously keeping track of its own location within that environment
"tactile sensor interface"	a hardware-software interface module within robotic systems designed to connect and manage tactile sensors, enabling robots to perceive pressure, friction, texture, deformation, and other information during contact with objects
"teleoperation"	refers to the operation of a system or machine at a distance
"torque sensor"	a device used to measure and monitor the movement, position, and torque of robotic joints
"TÜV"	Technischer Überwachungsverein (Technical Inspection Association), an independent, neutral body that conducts inspections and certifications across a wide range of industries
"virtual wall"	a digital display that uses a combination of hardware and software to create a simulated environment

"VLA"	vision language action, a type of AI model that integrates computer vision, language, and action-based system to understand and interpret visual data, process and generate human language, and perform specific actions
"wafer"	a thin slice of semiconductor, used for the fabrication of ICs and other microelectronic devices
"3C"	computer, communication, and consumer electronics

FORWARD-LOOKING STATEMENTS

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

This document contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this document. Forward-looking statements can be identified by words such as "may," "will," "should," "would," "could," "believe," "expect," "anticipate," "intend," "plan," "continue," "seek," "estimate" or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our business prospects;
- our business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which we operate;
- general economic, political and business conditions in locations where we operate;
- our financial condition and performance;
- our capital expenditure plans;
- changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- the amount and nature of, and potential for, future development of our business;
- the actions of and developments affecting our competitors;
- the actions of and developments affecting our major customers and suppliers; and
- certain statements in the sections headed "Risk Factors," "Industry Overview," "Regulatory Overview," "Business," "Financial Information," "Relationship with Our Controlling Shareholders" and "Future Plans and Use of [**REDACTED**]" with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

FORWARD-LOOKING STATEMENTS

Any forward-looking statement made by us in this document speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

An [**REDACTED**] *in our H Shares may involve significant risks. Potential* [**REDACTED**] *should read and consider carefully all the information set out in this document, and, in particular, should evaluate the following risks and uncertainties before deciding to make any* [**REDACTED**] *in our H Shares. You should pay particular attention to the fact that we primarily conduct our operations in China, the legal and regulatory environment of which in some respects may differ from that in Hong Kong. Any of the risks and uncertainties listed below could have a material adverse effect on our business, results of operations, financial condition or on the* [**REDACTED**] *of our H Shares, and could cause you to lose all or part of your* [**REDACTED**]. *The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business and results of operations.*

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements."

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into (1) risks relating to our general operations and industry, (2) risks relating to the R&D and intellectual property rights of our products and solutions, (3) risks relating to our financial condition and need for additional capital, (4) risks relating to doing business in the jurisdictions where we operate, and (5) risks relating to the [**REDACTED**].

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, results of operations and financial condition. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATING TO OUR GENERAL OPERATIONS AND INDUSTRY

The size of our addressable markets and the demand for our products and solutions may not increase as rapidly as we anticipate due to a variety of factors, which may materially and adversely affect our business, results of operations and financial condition.

We are pursuing opportunities primarily in the industrial robot markets which are undergoing rapid changes, including changes in technology and paradigm, and it is difficult to predict the timing and size of the opportunities for each of our products and solutions. This document contains estimates and forecasts concerning our industries that are based on industry publications and reports or other publicly available information. These estimates and forecasts involve a number of assumptions and limitations, and are subject to significant uncertainty. Similarly, our internal estimates and forecasts are based on a variety of assumptions, including assumptions regarding market acceptance of our products and solutions and the manner in which those new and rapidly evolving markets will develop. While we believe our assumptions and the data underlying our estimates and forecasts are reasonable, these assumptions and estimates may not be correct and the conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. If third-party or internally generated data proves to be inaccurate or we make errors in our assumptions based on that data, the addressable markets for our products may be smaller than we have estimated, our future growth opportunities and sales growth may be smaller than we estimate, and our business, results of operations and financial condition may be materially and adversely affected.

The industrial robot industry is competitive. If we fail to effectively compete with our competitors, our business, results of operations and financial condition may be materially and adversely affected.

The industrial robot industry is competitive. We primarily compete with other companies that focus on the development and commercialization of our industrial robots. According to the CIC Report, in 2025 approximately 40 participants achieved mass production (with annual sales exceeding 1,000 units) in China's industrial robot market, where the market share of the top 10 providers reached 75.6% by sales revenue, indicating relatively limited industry concentration and a fragmented competitive structure. The market comprises diverse players, including large enterprises with strong R&D and supply chain capabilities, as well as numerous small and medium-sized innovative manufacturers entering specialized application segments, reflecting a distinctly diversified competitive environment. If we compete with players that have a longer operating history than us, or 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 solutions, 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. Furthermore, 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 and solutions 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 effectively, or if competing effectively 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.

The industry that we operate in is characterized by constant changes. If we fail to stay abreast of technology innovation and adapt our products and solutions to customers' needs and advancements in technology, our business, results of operations and financial condition may be materially and adversely affected.

Our business growth depends on our ability to identify and anticipate customer needs and develop robotic products and solutions that address their demands. Success in retaining existing customers, acquiring new ones, and driving sales growth hinges not only on our technology achievements and sales execution but also on our ability to (1) provide competitively priced, advanced products and solutions that evolve with customer needs, (2) maintain technological advancement, and (3) continuously enhance products and solutions functionality, performance, reliability, design, security, and adaptability.

We operate primarily in China's industrial robot industry, with products and solutions addressing customer demands in various industry sectors, such as manufacturing, commercial services, and healthcare sectors. The industry in which we operate is characterized by constant changes, including rapid technological evolution, frequent introductions of products and solutions, continual shifts in customer demands and constant emergence of new industry standards and practices. Our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. We need to develop expertise across different industry sectors, adapt our products and solutions for different industry sectors and constantly anticipate the emergence of new technologies and assess their market acceptance. We also need to invest significant resources, including financial resources, in R&D to lead technological advances in order to keep our products and services innovative and competitive in the market.

To the extent we are not able to provide products and solutions that meet our customers' demands, or we are not able to improve and enhance the functionality, performance, reliability, design, security, adaptability and scalability of our products and solutions in a manner that responds to our customers' evolving needs, our existing customers may not spend more on our products and services, and we may not be able to attract new customers, under which circumstances our business, results of operations, financial condition and prospects may be materially and adversely affected.

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

We commenced our operations in 2015 and have developed, and will continue to develop, innovative robotics technology across diverse industry sectors. Our new business initiatives, such as our expansion into embodied intelligent robots, have not been fully proven given our limited operating history, which may subject us to a number of uncertainties and additional costs and expenses, and adversely affect our ability to project and plan for future growth.

In 2023, 2024 and 2025, our revenue was RMB267.0 million, RMB325.3 million and RMB521.7 million, respectively. However, you should not consider our historical performance as indicative of our future financial performance. As a result of our limited operating history and evolving business portfolio, it is difficult to draw an exact period-over-period comparison of our business, results of operations and financial condition as a whole. Furthermore, as our business further develops, we may modify our business model or continue to change our business portfolio. We may launch new products or solutions or discontinue any existing ones for strategic purposes. Any of such changes may have a material adverse effect on our business, results of operations, financial condition and prospects.

We cannot guarantee that our business development strategies will be successfully implemented or bring about outcomes as we expected.

We continue to execute a number of strategies to expand our business. However, expanding our business involves risks and challenges. These business initiatives are new and evolving, some of which may prove unsuccessful. It may also take a longer time than expected for us to develop the technologies and build market acceptance of our solutions, and we may not have sufficient experience in executing these new business initiatives effectively. We cannot assure you that any of these new business initiatives will achieve our expected market acceptance and generate desired outcome. If our efforts fail to enhance our monetization abilities, we may not be able to maintain or increase our revenues or recover any associated costs, and our business, results of operations and financial condition may be materially and adversely affected.

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

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

During the Track Record Period, our revenue was primarily generated from providing robots and related solutions to enterprise customers in various industry sectors, such as manufacturing, commercial services, and healthcare sectors. In 2023, 2024 and 2025, our revenue from the manufacturing sector was RMB223.6 million, RMB294.7 million and RMB473.8 million, respectively. In the same periods, our revenue from the commercial services sector was nil, RMB689.0 thousand and RMB27.3 million, respectively, and our revenue from the healthcare sector was RMB15.7 million, RMB5.8 million and RMB6.7 million, respectively. Our results of operations are highly dependent on the development and performance of these underlying industry sectors of our customers. In addition, our existing customers may decline materially or fluctuate as a result of many factors, including, among other things, dissatisfaction with the operation of our robots, the price and quality of services and maintenance, negative publicity related to our brand, or alternative services offered by our competitors. If we are unable to retain our existing customers or to acquire new customers in a cost-effective manner, our business, results of operations and financial condition may be adversely affected.

In 2023, 2024 and 2025, revenue generated from our top five largest customers in each year during the Track Record Period accounted for 24.4%, 18.0% and 21.5% of our total revenues for the same periods, respectively. In the same periods, revenue generated from our largest customer in each year during the Track Record Period accounted for 5.7%, 4.6% and 5.2% of our total revenues, respectively. We cannot

be certain that customers that have accounted for significant revenues in past periods, individually or as a group, will continue to generate similar revenues in any future period. We may lose one or more of our key customers due to various factors, including but not limited to increased competition, material changes in such customers' operations and any deterioration in our relationship with such customers. The loss or reduction in revenues generated from key customers, any reduction, delay or cancellation of orders from one or more of our key customers, or a decision by one or more of our significant customers to select solutions provided by a competitor, would significantly and negatively impact our business, results of operations and financial condition. Additionally, the failure of our key customers to pay their current or future outstanding balances would increase our operating expenses and reduce our cash flow.

We depend on our suppliers for certain essential materials, equipment and services.

In 2023, 2024 and 2025, our total purchases from our five largest suppliers in each year during the Track Record Period accounted for 25.1%, 27.5% and 31.0% of our cost of sales, respectively. The timely and cost-effective delivery of essential components and key parts is critical to our business. Maintaining strong relationships with our suppliers is essential to ensure prompt, cost-efficient deliveries, while also preserving our competitive position and negotiating leverage relative to our peers. Failure to maintain strong relationships with our suppliers could result in losing access to critical components for our product and solutions. This could disrupt our assembly processes and delay product deliveries. Additionally, weakened relationships may lead to higher prices, as suppliers may place less emphasis on securing cost-effective procurement for us. This, in turn, could increase the cost of goods sold and reduce our operating profit margins. Any increase in supplier prices could raise our costs. If we cannot pass these costs on to our customers, it may adversely affect our financial results. Supplier prices can be influenced by factors beyond our control, such as inflation, regulatory changes, and economic conditions. Any unfavorable changes in our relationships or the terms of our agreements with our key suppliers could significantly affect our business, results of operations and financial condition.

Failure to enhance our brand recognition and sales and marketing capabilities could harm our ability to expand our business operations and expand our customer base, and adversely affect our business, results of operations and financial condition.

We believe that maintaining and enhancing our brand is important to continued market acceptance of our existing and future products and services, attracting new customers, retaining existing customers, and successfully executing our dual-pronged growth engines. We also believe that the importance of brand recognition will increase alongside the competition in our market. Successfully maintaining and enhancing our brand recognition will depend largely on the effectiveness of our marketing efforts, our ability to provide products and solutions that continue to meet the needs of our customers at competitive prices, our ability to maintain our customers' trust, and our ability to successfully differentiate our products and solutions from competitive ones. However, our efforts may not always be successful or yield increased revenue.

Moreover, the promotion of our brand also requires us to make expenditures, and we expect that this expenditure will increase as the market becomes more competitive. In 2023, 2024 and 2025, our selling and marketing expenses were RMB54.9 million, RMB63.0 million and RMB75.6 million, respectively, representing 20.6%, 19.4% and 14.6% of our revenue for the same periods, respectively. To the extent that our sales and marketing activities increase revenue, the increase in revenue still may not necessarily be sufficient to offset the expenditure we incur. We may also be unable to hire and train sufficient numbers of qualified sales personnel or ensure the productivity of our sales personnel in acquiring new customers or cross-selling to our existing customers. If we do not successfully maintain and enhance our brand and ensure the effectiveness of our sales and marketing efforts, our ability to expand our customer base may be impaired, which would then adversely affect our business, results of operations and financial condition.

We may not be able to fully maintain quality control over our products and solutions.

The quality of our products and solutions depends on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the quality and reliability of parts and components used, the quality of our staff and relevant training programs, and our ability to ensure that our

employees adhere to our quality control and quality assurance protocols. However, we cannot assure you that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards. Any significant failure or deterioration of our quality control and quality assurance protocols could render our products and solutions unable to perform their regular functions, cause safety concerns that may result in physical injuries to individuals, or harm our market reputation and relationship with business partners.

In addition, the quality of parts, components and/or products manufactured by our suppliers that we incorporate into our products and solutions 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. We 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.

Any unexpected disruption to our production facilities could materially and adversely affect our business, results of operations and financial condition.

Our ability to meet the demand of our customers and grow our business relies on the efficient, proper and uninterrupted operation of our production plan and a constant and sufficient supply of utilities. In the event of earthquake, fire, drought, flood or other natural disaster, political instability, riot or civil unrest, extended outage of critical utilities or transportation systems, terrorist attack or other events that limit or disrupt our ability to operate our production facilities, we may experience substantial losses, including loss of revenue from disrupted production. We may also need to incur substantial additional expenses, exceeding our insurance coverage to repair or replace any damaged equipment or facility. In addition, our ability to manufacture and supply products and our ability to meet our delivery obligations to our customers would be significantly disrupted and our relationships with our customers could be damaged, which could have a material and adverse effect on our business, results of operations and financial condition.

Uncertainties and changes in government policies in respect of the industries in which we operate may negatively affect our business, results of operations and financial condition.

Our growth depends in part on government spending and favorable government policies in respect of the industries in which we operate. However, such policies may be subject to changes that are beyond our control. There can be no assurance that government policies will continue. We recognized government grants of RMB10.5 million, RMB11.1 million and RMB14.3 million as other income in 2023, 2024 and 2025, respectively. However, the timing, amount and conditions of government economic incentives are within the sole discretion of governmental authorities. In addition, governmental authorities may require us to fulfill certain contractual obligations or satisfy other requirements. However, there can be no assurance that we could fully satisfy these conditions or perform such obligations, and it is possible that such governmental authorities may stop subsidizing us or require us to return certain subsidies. Uncertainties and changes in such policies may have a material adverse impact on our business, results of operations and financial condition.

Our business depends on the continuing efforts of our management team and our ability to attract, train, and retain competent talent, especially talent on R&D.

Our business depends on the continuing efforts of our management team to oversee and execute our business plans and identify and pursue new opportunities and product innovations. Any loss of our management can significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, results of operations and financial condition. From time to time, there may be changes in our management team, resulting from the hiring or departure of executives, which could also disrupt our business. Hiring suitable replacements and integrating them into our existing teams also requires a significant amount of time, training and resources, and may impact our existing corporate culture.

Additionally, our future success also depends on our ability to attract, recruit and train qualified employees and retain existing key personnel. In particular, we rely on our in-house R&D team to develop our products and solutions and the core technologies underlying them, and our experienced sales and marketing personnel to maintain relationships with our customers. In order to compete for talents, we may need to offer higher compensation, better training, more attractive career opportunities and other benefits to our employees, which may be costly and time-consuming. We cannot assure you that we will be able to attract or retain a qualified workforce necessary to support our future growth. During the Track Record Period, approximately 400 employees left our Company. Furthermore, any disputes between us and our employees or any labor-related regulatory or legal proceedings may divert management and financial resources, negatively impact on staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. In addition, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Any of the foregoing issues related to our workforce may materially and adversely affect our business, results of operations, and financial condition.

If our distributors are not able to operate successfully or we fail to maintain good relationships with such distributors, our business, results of operations and financial condition could be adversely affected.

We selectively engage distributors to market our robotic products. We leverage their experience and knowledge of the target local markets as well as their existing sales networks and resources, which may help us expand our market reach over a wider geographical area and to achieve deeper market penetration. As of December 31, 2023, 2024 and 2025, there were 34, 55 and 43 distributors, respectively. In the same periods, the revenue generated from our distributors was RMB20.2 million, RMB53.9 million and RMB61.0 million, respectively. Our distributors may not be able to market and sell our products successfully or maintain their competitiveness as a result of various factors. For example, our distributors may not be able to successfully organize marketing events that achieve desired results. If the sales volumes of our products to customers are not maintained at a satisfactory level, our distributors may not place new orders with us, or they may reduce orders or request discounts on the purchase price, and eventually, they may not renew the distribution agreement with us. The loss of our distributors, or reduced orders from them, could adversely affect our access to customers and our sales volume and revenue. There is no assurance that they will do so or that we may be successful in detecting any non-compliance, and non-compliance with the distribution agreements by any of our distributors could tarnish our brand, disrupt our sales and damage our relationship with distributors. In addition, if we fail to maintain our relationships with a majority of distributors, or our distributors fail to operate successfully, our ability to effectively sell our products could be negatively impacted. These and similar actions could also negatively affect our corporate and product image, which could result in a loss of customers and a decline in sales. Furthermore, distributors selling the same products in overlapping markets may result in cannibalization or even competition among these distributors. We cannot assure you that the expansion of our sales network will continue to be successful or will generate revenue as expected.

We have limited control over the operations of our distributors. Our business may be adversely affected due to risks relating to the acts of our distributors and their potential breach of distributorship agreements or applicable laws and regulations.

We rely on distributors for the marketing and sales of our robotic products. We enter into distributorship agreements with our distributors to regulate their conduct in the marketing and sales of our products. However, there can be no assurance that we will be successful in detecting any non-compliant activities by our distributors violating the provision of our distributorship agreements or the applicable laws and regulations. Specifically, we may be exposed to the risks of misconduct and violations committed by our distributors. Misconduct and violations may occur in the form of unauthorized misrepresentation to our downstream end customers, misappropriation of third-party intellectual property and other proprietary rights and bribery or other unlawful payments during the course of their distribution.

In any such event, we may, as a result, incur liability with our downstream end customers for claims of misconduct committed by such distributors. Any such claim could subject us to litigation and impose a significant strain on our financial resources and divert the management's attention, regardless of whether the claims have merit. Additionally, such an event could result in complaints from our downstream end customers and subsequent adverse impact on our business and reputation.

Our business is subject to seasonality.

We generally recognize a significant portion of our revenue in the second half of a year, primarily because (1) our customers tend to place their orders and/or complete their inspections in the third or fourth quarter to maintain better control over their annual capital expenditure and realize their annual budget, and (2) our customers tend to schedule their procurement in advance of the major holidays in China and overseas markets, many of which are in the fourth quarter, to avoid potential shipment disruptions and other logistic issues caused by holidays at the beginning of a new year. In 2023, 2024 and 2025, our revenue recognized in the second half of the year was RMB192.6 million, RMB208.0 million and RMB345.9 million, accounting for 72.1%, 64.0% and 66.3% of our total revenue in the same periods, respectively. According to the CIC Report, such seasonality is generally prevalent in the robotics industry.

The degree of seasonality may vary from year to year due to conditions in the industry and other factors, which makes it difficult for us to predict the level of demand with precision. If seasonal demand exceeds our expectation, we may not have sufficient stock or arrange for timely production and delivery. If seasonal demand is lower than our expectation, we could be left with excess inventory, higher working capital and liquidity requirements, as well as the risk of impairment losses on our inventory. Furthermore, our operating and financial results for an interim period may not be representative of our overall performance for a year. We expect to continue to experience seasonal fluctuations in our revenue, results of operations and financial condition.

We may face risks in relation to approvals, licenses, or permits.

We are required to obtain a series of licenses, permits, certificates and approvals, make filings or complete registrations according to relevant PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had obtained or completed all requisite licenses, permits, certificates, approvals and registrations and filings for our current business operations in China from the relevant government authorities. However, we may become subject to additional license, approval and other requirements as we develop and expand our business scope and engage in different business activities.

We cannot assure you that local authorities will not adopt different enforcement practices or will not issue more explicit interpretations and rules or promulgate new laws and regulations from time to time to further regulate the business we operate, which may subject us to additional licensing requirements. We may also be required to apply for and obtain additional licenses or permits for our operations in China as the interpretation and implementation of current PRC laws and regulations continue to evolve.

We face risks associated with conducting business internationally and will continue to be subject to such risks as we expand our business overseas.

We generated revenue from the overseas markets, including Europe, other Asian markets, Americas and Africa, accounted for 14.3%, 9.0% and 8.9% of our total revenue in 2023, 2024 and 2025, respectively. Specifically, our revenue generated from Europe accounted for 3.7%, 3.5% and 3.0% of our total revenue for the same periods, respectively, and our revenue generated from Americas accounted for 7.6%, 2.2% and 1.0% of our total revenue for the same periods, respectively. Expanding our growing overseas sales is an important part of our future growth, but these efforts may not be successful. Overseas operations are subject to a number of risks, including but not limited to:

- foreign exchange control and exchange rate fluctuation;

- political and economic instability, and international terrorism;
- global or regional health crises, such as health epidemics and outbreaks;
- potential for violations of anti-corruption laws and regulations, such as those related to bribery and fraud;
- laws and business practices favoring local competition;
- increased risk in managing inventory;
- increased risk in collecting trade receivable;
- less effective protection of intellectual property;
- difficulties and costs of staffing and managing foreign operation; and
- changes in local tax, import and export laws and tariffs and customs duty laws in the enforcement, application or interpretation of such laws.

The occurrence of any of these risks could materially and adversely impact our overseas expansion and consequently our business, operating results and financial condition. We expect we will continue to be subject to those risks as conducting our business internationally.

We could be adversely affected as a result of any transactions with persons in countries that are, or become, subject to sanctions administered by the relevant sanctions authorities.

Through executive orders, passing of legislation or other governmental means, the certain authorities of the United Nations, the United States, the European Union, the United Kingdom, and Australia, have implemented measures that impose economic sanctions against certain countries or targeted industry sectors, groups of companies, persons or organizations.

During the Track Record Period, we sold our products with immaterial transaction value to certain customers located in Russia. For instance, the total revenue we generated from sales to Russia was RMB10.4 million, accounting for only approximately 0.9% of our total revenue during the Track Record Period. Any relevant sanctions imposed by the United States or other jurisdictions on our customers or suppliers could restrict or prohibit our dealings with these counterparties, which could adversely affect our business, financial condition and results of operations. See "Business—Trade Restrictions, Sanctions, and Tariff."

Sanctions laws and regulations are constantly evolving, and new targeted industry sectors, groups of companies, persons or organizations are regularly added to the list of international sanctions programs. Further, new laws or restrictions could increase the obstacles for us to conduct our business internationally, and some or all of our products may be deemed subject to sanctions restrictions in the future.

Furthermore, if we fail to keep ourselves updated with the latest developments of the international sanctions or other laws and regulations, we may be involved in sanctions risk exposures. If the relevant authorities of the relevant jurisdictions determine that any of our future activities as a violation of the sanctions imposed by these authorities or designate us, any of our Directors and/or substantial Shareholders as a sanctioned company, person or organization, our business and reputation will be materially and adversely affected.

In addition, any association with customers, suppliers and service providers in countries that are subject to any form of sanctions programs could subject us to reputational harm, which may lead to the loss of customers, suppliers or service providers, and in turn adversely affect our business, results of operations and financial condition.

We are exposed to risks associated with U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by U.S. persons for certain investments.

On October 28, 2024, the U.S. Department of the Treasury (the "Treasury") issued a final rule on investment, or the Outbound Investment Rule, to implement the executive order of August 9, 2023, which became effective on January 2, 2025. The Outbound Investment Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau), collectively defined as "Covered Foreign Persons," that are engaged in activities relating to three sectors: (1) semiconductors and microelectronics, (2) quantum information technologies, and (3) artificial intelligence systems. U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as covered transactions. The Outbound Investment Rule could apply to certain U.S. person (including their controlled foreign entities, if applicable) outside the United States who may participate in the [**REDACTED**] through offshore transactions in accordance with Regulation S.

We are a "covered foreign person" as our business activities constitute "covered activities" described under the definition of "notifiable transaction" (each of "covered foreign person," "covered activities," and "notifiable transaction" as so defined under the Outbound Investment Rule, as of the Latest Practicable Date) as advised by our International Sanctions Legal Advisor. There is no assurance that the Treasury will take the same view as ours. Therefore, the [**REDACTED**] may constitute a notifiable transaction under the relevant rules, and U.S persons participating in the [**REDACTED**] may be subject to notification obligations to the U.S. Treasury, while subsequent secondary market transactions are generally exempted. Investors that are U.S. persons should consult their own legal counsel regarding the applicable compliance requirements, including their notification obligation, if any, under the Outbound Investment Rule in connection with the [**REDACTED**]. In addition, even though U.S. persons' purchase of publicly traded securities (such as purchasing our H Share in the open market) falls under an exception in the Outbound Investment Rule, it could still limit our ability to raise capital or contingent equity capital from U.S. persons given that the relevant laws, regulations and policies continue to evolve. For example, President of the United States issued the America First Investment Policy Memorandum (the "America First Memo") on February 21, 2025, which proposes to further expand the set of technologies and investment types of concern. The application and implication of the Outbound Investment Rule, the America First Memo and any related policies, laws and regulations are complex, which may be changed and updated from time to time. Future changes in the Outbound Investment Rule, the America First Memo and any related policies, laws and regulations or their interpretations, or any similar or more expansive restrictions imposed by the U.S. or other jurisdictions, may result in additional costs on our business and/or limit our ability to raise capital or contingent equity capital from U.S. persons and other sources that may otherwise be beneficial to us, which could adversely affect our performance, financial condition and prospects, in which case the [**REDACTED**] of our H Shares may also be materially and adversely affected.

We may engage in acquisitions, investments, divestitures or strategic alliances in the future, which could require significant management attention and materially affect our business, results of operations and financial condition.

We intend to selectively pursue strategic alliance, investment and acquisition opportunities to fuel our business growth and strengthen our competitiveness. We will evaluate and execute alliance, investment and acquisition opportunities that complement and scale up our business, optimize our profitability, help us penetrate high-growing sectors, and add new capabilities to our Company. However, we may have limited experience in making such acquisitions and we may not be able to find suitable acquisition candidates or complete acquisitions on favorable terms, if at all. Even if we complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisition we complete could be viewed negatively by customers or investors. We may also engage in other forms of business collaborations and relationships in the future, including strategic investments, partnerships and alliances. Negotiating such transactions can be time-consuming, difficult and costly, and our ability to close these transactions may be subject to third-party approvals, such as government regulatory approvals. We cannot assure you that these transactions will close or will lead to commercial benefit for us.

In addition, we also face risks and uncertainties associated with acquisition activities, including valuation risk, integration risks relating to acquired businesses and brands, and the risk that we may be unable to realize the anticipated benefits, synergies, cost savings, or efficiencies from the acquisitions. Specifically, we may not be able to integrate acquired businesses successfully or effectively manage the combined company or our collaborations. If we fail to successfully integrate our acquisitions, or the people or technologies associated with those acquisitions, into our Company, the results of operations of the combined company could be adversely affected. Any integration process will require significant amount of time and resources, require significant attention from management, and disrupt the ordinary functioning of our business. We may ultimately fail to realize the potential cost savings or other financial benefits or the strategic benefits of the acquisitions. Furthermore, an acquisition could also materially impair our results of operations by causing us to incur debt or requiring us to amortize acquired intangible assets. We may also discover deficiencies in internal controls, data adequacy and integrity and regulatory compliance, as well as legal or contractual liabilities in businesses we acquire which we did not uncover prior to such acquisition. Therefore, we may become subject to penalties, lawsuits or other liabilities. Any difficulties in the integration of acquired businesses or technologies or unexpected penalties, lawsuits or liabilities in connection with such businesses or technologies could have a material adverse effect on our business, results of operations and financial condition.

In addition, we may acquire additional assets, products, technologies or businesses that are complementary to our existing business. In addition to possible shareholder approval, we may have to obtain approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable PRC laws and regulations, which could result in increased delay and costs, and may derail our business strategy if we fail to do so. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant.

In connection with the foregoing strategic transactions, we may issue additional equity securities that would dilute our Shareholders, use cash that we may need in the future to operate our business and incur substantial debts and liabilities. Such strategic transactions may also subject us to legal and regulatory scrutiny and increase our compliance costs. As a result, our business, results of operations and financial condition may be adversely affected.

We may be subject to product liability claims if our products, solutions and the underlying technologies contain significant defects. We could incur significant expenses to remediate such defects. As a result, our reputation could be damaged and we could lose market shares, and our business, results of operations and financial condition may thus be negatively impacted.

Our products and solutions may contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. In addition, our products and solutions may contain serious errors or defects, security vulnerabilities or software issues, which we are unable to successfully correct in a timely manner or at all. Some errors or defects in our products and solutions may only be discovered after they have been commercialized and deployed by our customers for their production lines or other use cases and we may incur costs relating to product recall, repair or replacement. Furthermore, these issues could potentially lead to lawsuits filed against us by our customers or other parties, exposing us to potential liabilities and damages. We may also experience revenue loss, significant capital expenditures, delay or loss in market acceptance and damage to our reputation and brand, any of which could adversely affect our reputation, business, results of operations and financial condition.

Given that many of our customers use our products and solutions in production processes that are critical to their business, any error or defect in our products and solutions could result in losses to our customers. Our customers may seek compensation from us for any losses they suffer or cease conducting business with us altogether. A claim brought against us by any of our customers would likely be time-consuming, costly to defend and may materially and adversely affect our reputation and brand, making it difficult for us to sell and market our products and solutions.

Misconduct, errors, non-compliance and omissions by our Directors or third parties could harm our business and reputation.

Our business operations and reputation are closely linked to the conduct and integrity of our Directors and business partners. We may not be able to detect or prevent all instances of inappropriate or unlawful behavior by these parties. Misconduct could include, among others, violations of applicable laws and regulations, breach of contractual obligations, fraud, corruption, bribery, data or product manipulation, or unethical commercial practices inconsistent with our corporate values. Any such misconduct, whether actual or alleged, may expose us to regulatory investigations, administrative penalties, civil or criminal proceedings, contractual disputes or termination of key business relationships.

Rumors or negative publicity involving our Company, our products and solutions, our management, our customers, our business partners or our industry in general may materially and adversely affect our reputation, business, results of operations and growth prospects.

Negative publicity involving our industry, our Company, our products and solutions, our management, our customers or our business partners may materially and adversely harm our business and reputation. Although we made efforts to strengthen our responsiveness to negative publicity events, we cannot preclude media reports of a similar nature or similar allegations from other parties from being made in the future, nor can we assure you that we will be able to defuse such negative publicity to the satisfaction of our investors, customers and business partners or prevent related misconception and other damages caused by such reports. We may have to incur significant expenses and divert our management's time and attention in order to remedy the effects of these negative reports or allegations, which may materially and adversely affect our results of operations.

Compliance with regulatory requirements may result in increases in operational, monitoring, and reporting costs, which could adversely affect our profitability and financial performance.

Our business is subject to regulation by various governmental agencies in China, including agencies responsible for monitoring and enforcing compliance with various legal obligations, such as environment-related laws and regulations, intellectual property laws, employment and labor laws, governmental trade laws, import and export controls, anti-corruption and anti-bribery laws, and tax laws and regulations. In certain overseas jurisdictions, these regulatory requirements may be different or more stringent than in China. These laws and regulations may increase our compliance costs. Non-compliance with applicable regulations or requirements may subject us to negative consequences, including:

- investigations, enforcement actions, and sanctions;
- mandatory changes to our offerings;
- monetary damages and fines;
- civil and criminal penalties or injunctions;
- termination of contracts;
- loss of intellectual property rights; and
- failure to obtain, maintain or renew certain licenses, approvals and permits.

Responding to any action will likely result in a significant diversion of our management's attention and resources and incur significant costs. If we fail to defend ourselves in relevant legal or administrative proceedings, our business, results of operations and financial condition could be adversely affected.

We may be subject to penalties relating to labor dispatch.

On December 28, 2012, the Labor Contract Law of the PRC (中華人民共和國勞動合同法) was amended to impose more stringent requirements on labor dispatch and such amendments became effective on July 1, 2013. For example, dispatched workers may only engage in temporary, auxiliary or substitute work.

During the Track Record Period, we engaged dispatched workers for positions of temporary, auxiliary or substitute nature. However, we cannot assure you that the relevant government authorities would determine that the dispatched workers was engaged to perform temporary, auxiliary or substitute work. Furthermore, we cannot assure you that the relevant government authorities will not impose penalties on our subsidiary if they determine such dispatched workers were not engaged to perform temporary, auxiliary or substitute work, which may adversely affect our business, profitability and reputation.

We are subject to potential adverse consequences due to the defective titles of certain leased properties in the PRC.

We lease properties primarily for our offices and R&D center. Certain lessors have not provided the ownership certificates for our leased properties or other proof of authorizations from the property owners to sublease the properties to us, hence we cannot ensure that they have the rights or authorizations to lease such properties to us. If our lessors are not the owners of the properties and they have not obtained consents from the owners or their lessors or permits from the relevant government authorities, the relevant lease agreements might be deemed unenforceable in accordance with the relevant laws and regulations. In such cases, we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties and we might incur additional costs and resources to relocate relevant properties into new locations.

We may be subject to fines for failing to register the lease agreement of leased property.

Pursuant to applicable PRC laws and regulations, property lease agreements must be filed with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, nine out of our 12 leased properties mainly used as our offices and R&D premises had not been registered and filed with relevant land and real estate administration bureaus in China primarily due to the difficulty of procuring our lessors' cooperation to file such leases, among other things. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of such lease agreements nor the lawful and effective use of leased properties pursuant to the lease agreements. However, the relevant authorities may require us to rectify such noncompliance within a prescribed period and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each of such properties if we fail to rectify such non-compliance within the prescribed period, with the maximum penalty of RMB90,000 for our nine non-registered lease properties. We cannot assure you that the government authorities will not impose fines on us due to our failure to register any of our lease agreements, which may negatively impact our financial condition.

We may be required to open the housing provident fund accounts and make additional contributions of the housing provident fund under PRC laws and regulations.

Companies operating in the PRC are required to participate in various employee benefit plans, including the housing provident fund, and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business. As of the Latest Practicable Date, we did not open the housing provident fund accounts and make adequate contributions to the housing provident fund with respect to two of our employees as specifically requested by them, as required by the relevant PRC laws and regulations. The corresponding shortfall amount for housing provident fund contributions for these employees during the Track Record Period was RMB0.1 million. As a result, we may be required to open the housing provident fund accounts and make additional contributions of the housing provident fund and/or pay fines under PRC laws and regulations.

Pursuant to relevant PRC laws and regulations, in case of a failure to open the housing provident fund accounts for its employees, the competent PRC government authority may require us to complete the opening procedures within a prescribed time limit, where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed; and in case of a failure to pay the full amount of housing provident fund, the competent PRC government authority may require us to pay the outstanding amount within a stipulated period. If the payment is not made within such stipulated period, an application may be made to the PRC courts for compulsory enforcement. We cannot assure you that we will not be subject to any order to rectify the non-compliance in the future, nor can we assure you that there are no, or will not be any, employee complaints regarding the lack of the accounts or the payment of the outstanding amount of the housing provident fund contributions against us, or that we will not receive any claims in respect of the lack of the accounts or the payment of the outstanding amount of the housing provident fund contributions under national laws and regulations. In addition, we may incur additional expenses to comply with such laws and regulations promulgated by the PRC government or relevant local authorities.

We are subject to various risks relating to the Third-Party Payment Arrangements.

During the Track Record Period, some of our customers settled payments with us through bank accounts that were not held by the contractual parties specified in the corresponding sales and purchase agreements (the "Third-Party Payment Arrangements"). In 2023, 2024 and 2025, the number of the Relevant Customers was nil, ten and three, respectively. The aggregate amount they settled under the Third-Party Payment Arrangements was nil, RMB1.6 million and RMB0.7 million, which accounted for nil, 0.5% and 0.1% of our total revenue, respectively. No individual Relevant Customer has made material contribution to our revenue during the Track Record Period. See "Business—Third-Party Payment Arrangements."

We were exposed to several risks related to these Third-Party Payment Arrangements during the Track Record Period. Specifically, designated third-party payers who are not contractually obligated debtors may seek reimbursement of funds from us. We may also be exposed to potential money laundering risks as we have limited knowledge about the source and purpose of the funds utilized by the third-party payors. If any claims are made by third-party payers, or if any legal proceedings are initiated or brought against us regarding any third-party payments, we may need to allocate additional financial and management resources to address these claims or legal proceedings, which could adversely affect our business and financial condition.

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

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

The insurance coverage we have may not adequately protect us against all operating risks.

Our business is subject to a variety of operational risks, including (1) operational restrictions imposed by environmental or other regulatory requirements, (2) social, political and labor unrest, (3) environmental or industrial accidents, and (4) catastrophic incidents such as fires, earthquakes, explosions, floods or other natural disasters. In addition, as we continue to expand our operations in overseas markets in the future, we may be exposed to risks related to geopolitical tensions, policy changes and intellectual property and technology protection. These aforementioned risks may result in, including but not limited

to, personal injury or casualties, environmental damage, monetary loss and legal liability. The occurrence of any of these events may result in the disruption of our operations and cause us to suffer substantial losses or incur significant liabilities.

As of the Latest Practicable Date, we had not purchased business liability insurance or product liability insurance to cover the risk of legal liability resulting from product defects or malfunctions. We may not have adequate or full business liability, interruption or litigation insurance coverage for our operational risks in China and overseas. If we incur material losses or liabilities, and insurance is not adequate to cover such losses or liabilities, our business, results of operations and financial condition may be materially and adversely affected.

We may not be able to effectively maintain our relationships with our business partners. Any negative development with respect to our relationships with our business partners may materially and adversely affect our business and brand.

We established business relationship with third-party business partners. We cooperate with and will continue our substantial cooperation with our business partners in various aspects. If any of our business partners discontinues their cooperation with us, reduces, suspends or terminates any type of support to us, we need to obtain such support from other business partners, or improve the capacities on our own. If we are unable to maintain our relationship with business partners, our business and results of operations could be materially and adversely affected.

Any future occurrence of natural disasters, outbreaks of contagious diseases or other force majeure events may materially and adversely affect our business, results of operations and financial condition.

Our business is subject to general economic and social conditions in China and other countries and regions where we operate. 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 and man-made disasters and other force majeure events which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people there. For instance, typhoons, sandstorms, snowstorms, fires and droughts, as well as the outbreak of a widespread health epidemic such as COVID-19, SARS, Ebola or Zika could pose significant risks to the regions where we or our business partners conduct business operations, including the R&D and commercialization activities. The potential occurrence or recurrence of any of these events could result in a slowdown of global economy or cause substantial disruptions to our operations, which could materially and adversely affect our business, financial condition, results of operations and prospects. Additionally, acts of war and terrorism may also damage the facilities of our business partners, disrupt our distribution channels and destroy our markets. The potential for war or terrorist attacks may also harm or cause uncertainty to our business in ways that we cannot predict.

The group of our Controlling Shareholders may have substantial influence over the Company and his interests may not be aligned with the interests of other Shareholders.

Upon completion of the [**REDACTED**], the group of our Controlling Shareholders will hold [**REDACTED**]% of our total issued Shares. As a result, the group of our Controlling Shareholders, will have significant influence over our business, including decisions regarding mergers, consolidations, liquidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions.

It may take actions that are not in the best interest of us or our other Shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could have the effect of depriving our other Shareholders of the opportunity to receive a premium for their shares as part of a sale of our Company and may reduce the price of the Shares. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that other holders of our ordinary shares may view as beneficial.

RISKS RELATING TO THE R&D AND INTELLECTUAL PROPERTY RIGHTS OF OUR PRODUCTS AND SOLUTIONS

We have been and intend to continue investing in our R&D and such investments may not yield the results we expect, and we may fail to continue to develop or effectively respond to the evolving technology and market dynamics of the industrial robot industry.

Our technological capabilities and infrastructure are critical to our success. We have been investing heavily in our R&D efforts. In 2023, 2024 and 2025, our research and development expenses were RMB59.4 million, RMB54.2 million and RMB65.5 million, respectively, representing 22.2%, 16.7%, and 12.6% of our revenue for the same periods, respectively. We need to invest significant resources, including financial resources, in R&D to lead technological advancement in order to make our products and solutions innovative and competitive in the market. We have incurred losses in the past and may not be able to achieve or subsequently maintain profitability, partially due to the significant investment in R&D. In 2023, 2024 and 2025, we recorded net loss of RMB157.5 million, RMB191.8 million and RMB179.3 million, respectively.

Furthermore, R&D activities are inherently uncertain, and we might encounter practical difficulties in commercializing our R&D results. Our significant expenditures on R&D may not generate corresponding benefits. Given the fast pace with which the technology has been and will continue to develop, we may not be able to timely upgrade our technologies in a cost-effective and timely manner. New technologies in our industry could render our products, solutions and the underlying technologies that we are developing or expect to develop in the future obsolete or unattractive, thereby limiting our ability to recover related research and development expenses, which could result in a decline in our revenues, profitability and market share.

We may not be able to adequately protect our intellectual property rights, and uncertainty regarding the validity, enforceability or scope of our intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly.

We strive to strengthen and differentiate our product portfolio by advancing our technologies, developing new products and solutions. As a result, we regard our intellectual property as critical to our success. We will continue to rely on a combination of patents, trade secrets, know-how, trademarks and copyrights to protect our intellectual property, but this protection may be inadequate. For example, there may be a leakage of our trade secrets or know-how, and our pending or future patent applications may not be registered or approved or, if allowed, they may not be of sufficient strength or scope to protect our intellectual property. As a result, third parties may challenge our patent applications or use the technologies and proprietary processes that we have developed and compete with us, which may adversely affect any competitive advantage we enjoy, dilute our brand and materially and adversely affect our business, results of operations and financial condition.

In addition, policing the unauthorized use of our proprietary technology can be difficult and expensive. Our success largely depends on our ability to use and develop our technologies, products and services without infringing upon the intellectual property rights of third parties. We may be subject to litigation involving claims of patent infringement or violation of other intellectual property rights of third parties. The holders of patents and other intellectual property rights potentially relevant to our product offerings may be unknown to us or may otherwise make it difficult for us to acquire a license on commercially acceptable terms. There may also be technologies licensed to and relied on by us that are subject to infringement or other similar allegations or claims by third parties which may damage our ability to rely on such technologies. In addition, although we endeavor to ensure that companies that work with us possess appropriate intellectual property rights or licenses, we cannot fully avoid the risks of intellectual property rights infringement created by suppliers of components used in our products or by companies we work with in cooperative R&D activities. Our current or potential competitors may have obtained or may obtain patents that will prevent, limit or interfere with our ability to make, use or sell our products and solutions in China or overseas.

The defense of claims, including patent infringement suits and related legal and administrative proceedings, can be both costly and time consuming and may significantly divert the efforts and resources of our technical and management personnel. Furthermore, an adverse determination in any such litigation or proceeding to which we may become a party could cause us to pay damage awards, seek licenses from third parties or pay additional ongoing royalties, which could decrease our profit margins, redesign our products or solutions or be restricted by injunctions.

These factors could effectively prevent us from pursuing some or all of our businesses and result in our customers or potential customers deferring, canceling or limiting their purchase or use of our products or solutions, which may have a material and adverse effect on our business, results of operations and financial condition.

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

Some of our competitors have large patent portfolios and may claim that the commercial use of our products or solutions has infringed upon their patents. These patents have broad claims, so it might be alleged that certain features of our products or solutions fall within the claims of such patents. Therefore, our competitors may initiate legal proceedings alleging that we are infringing upon, misappropriating or otherwise violating their intellectual property rights in connection with the commercialization of relevant products or solutions. We cannot assure you that we or our products and solutions will not infringe any intellectual property rights held by third parties in the future. We may face claims of infringement of third parties' proprietary rights or claims for indemnification resulting from infringement arising from our operations or the design, development and distribution of our products and solutions. In addition, we may be unaware of intellectual property registrations or applications relating to our products and solutions or business operations that may give rise to potential infringement claims against us. There may also be technologies licensed to and relied on by us that are subject to infringement or other corresponding allegations or claims by third parties.

Companies in the robotics industry may use intellectual property litigation to gain a competitive advantage. Whether a product or solution infringes upon a patent involves an analysis of complex legal and factual issues, the determination of which is often uncertain. We may hire employees who have previously worked for our competitors or other companies in relevant industries. There can be no assurance that such employees will not use their previous employers' proprietary know-how or trade secrets in their work for us, which could result in litigation against us. Our competitors may also have filed for patent protection, which is not as yet a matter of public knowledge or claim trademark rights that have not been revealed through our searches of relevant public records. Our efforts to identify and avoid infringing upon third parties' intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement, regardless of their merit, could:

- be expensive and time-consuming to defend;
- cause us to pay substantial damages to third parties;
- forbid us from making or selling products or solutions that incorporate the challenged intellectual property;
- require us to redesign, reengineer or rebrand our products;
- cause us to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property, which agreements may not be available on terms acceptable to us or at all;
- divert the attention of our management; or
- result in customers terminating, deferring or limiting their purchase of the affected products until resolution of the litigation.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate patents, copyrights or other intellectual property rights held by third parties. We have been, and may from time to time in the ordinary course of our business be, confronted with claims or allegations relating to intellectual property infringement. Such claims may or may not escalate to legal proceedings, the outcomes of which are unpredictable. In case of any disputes or lawsuits, there can be no assurance that we will be able to prevail in our defense or reverse any unfavorable judgment, ruling or decision against us. Any of these or future proceedings or actions or claims, with or without merit, could be costly and distract our management from day-to-day operations. We may incur substantial legal expenses in defending against such infringement claims, regardless of their merits. If we fail to successfully defend against these claims or do not prevail in such proceedings, we may be prohibited from using certain intellectual property rights, subject to substantial amounts of damages, fines or penalties or ordered to cease operations of certain of our business, which may in turn have a material and adverse effect on our business, financial condition and results of operations, as well as cause negative publicity and tarnish our reputation.

Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The China National Intellectual Property Administration and various governmental patent agencies in other jurisdictions require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and over the lifetime of the patent. Non-compliance events, including failure to respond to official actions within prescribed time limits, non-payment of periodic maintenance fees, and failure to properly legalize and submit formal documents, can result in abandonment or lapse of the patent or patent application, leading to partial or complete loss of patent rights in the relevant jurisdictions. In any such event, our competitors might be able to enter the market, which would materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL

We may need additional capital for business growth, product development, research and development and marketing efforts. If we are unable to raise capital in a timely manner or on acceptable terms, or at all, we could incur losses and be forced to delay, reduce or eliminate such efforts.

We may require additional capital beyond that generated by the operating activities from time to time to carry out R&D activities for developing and enhancing our products, solutions and the underlying technologies, grow our business and better serve our customers, among other things. Accordingly, we may need to issue additional equity or debt securities or obtain a credit facility. Future issues of equity or equity-linked securities could significantly dilute our existing shareholders, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our H Shares. The incurrence of debt financing would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our shareholders. Our ability to maintain or obtain additional capital in a timely manner or on commercially acceptable terms is subject to various factors, including general market conditions for capital raising activities by our peers as well as economic, political and other conditions in China, Hong Kong and globally. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our R&D and business growth could be significantly impaired, and our business and prospects may be adversely affected.

Preferential tax treatment available to us in China could adversely affect our results of operations and financial condition.

Pursuant to the PRC Enterprise Income Tax Law and related regulations, enterprises which operate in China are generally subject to enterprise income tax at a statutory rate of 25% on the taxable profit, while enterprises recognized as a "high and new technology enterprise" (高新技術企業) ("HNTE") are

entitled to a preferential tax rate of 15%. Our Company was recognized as an HNTE in 2019 and renewed the HNTE status in 2025. As a result, our Company enjoyed a preferential income tax rate of 15% during the Track Record Period Continued qualification as an HNTE is subject to a three-year review by the relevant government authorities in China, and in practice certain local tax authorities also require annual evaluation of the qualification. In addition, certain subsidiaries meet the micro and small enterprises qualification under relevant PRC laws and regulations, and therefore are subject to lower tax rates for part of their assessable profits. In the event the preferential tax treatments are discontinued or not verified by the local tax authorities, and the affected entity fails to obtain preferential tax treatments based on other qualifications, it will become subject to the standard PRC enterprise income tax rate of 25%. There is no assurance that we will continue to be qualified to enjoy the above-mentioned preferential tax treatments, or such treatments will not change in the future, which may have a negative impact on our business, results of operations and financial condition.

If we fail to properly manage or maintain sufficient inventory, or the proportions and amount of our write-down of inventories increase, we could lose sales or experience excess inventory levels, which could negatively affect our financials and operations.

Our inventories primarily consist of raw materials and consumables, working in progress, and finished goods. As of December 31, 2023, 2024 and 2025, our inventories were RMB99.3 million, RMB86.5 million and RMB195.2 million, respectively. Our inventory turnover days were 161.0 days, 133.5 days and 126.1 days for 2023, 2024 and 2025, respectively. Changing customer demands and uncertainty surrounding new technologies could expose us to inventory risk. Demand in the industrial robot markets could change unexpectedly, and it is possible we may not be able to procure inventories to timely serve market demands. According to the CIC Report, China's industrial robot market generated RMB23.9 billion in revenue during 2025, representing a 2.1% year-on-year increase from the previous year. Driven by improving macroeconomic conditions and the gradual recovery of the manufacturing sector, the market rebounded in 2025. Key downstream industries, such as automotive and 3C electronics, resumed capacity expansion, serving as the primary drivers of the recovery in demand for industrial robots. We cannot assure you that we can accurately predict market demand to avoid under-stocking our products and solutions, which could cause us to lose sales, adversely affecting our business operations, results of operations and financial condition.

To ensure adequate inventory supply, we must forecast inventory needs and expenses, place orders sufficiently in advance with our suppliers and business partners and stock inventory based on our estimates of future demand for particular products and solutions. Fluctuations in the adoption of our products and solutions may affect our ability to forecast our future results of operations. Our ability to accurately forecast demand for our products and solutions could be affected by many factors, including the rapidly changing nature of the markets in which we operate, the uncertainty surrounding the market acceptance and commercialization of our products and solutions, the emergence of new markets, an increase or decrease in customer demand for our products and solutions or for the products and solutions of our competitors, health epidemics and outbreaks, and any associated work stoppages or interruptions, unanticipated changes in general market conditions and the weakening of economic conditions or consumer confidence in future economic conditions. As our products and solutions become or continue to be commercialized, we may face challenges in meeting the demands of our customers at a satisfactory rate, which would negatively affect our revenue. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of solutions available for sale.

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, which would adversely affect our business operations and financial conditions. In 2023, 2024 and 2025, we had write-down of inventories of RMB14.5 million, RMB8.2 million and RMB6.3 million, respectively. According to the CIC Report, the industrial robot industry is characterized by evolving technologies, increasing competition, changing industry standards, and changing market demands, among others. Therefore, our robotic products may quickly become outdated due to fast-changing trends and constant technological advancements, and any mismanagement of inventory could lead to increased write-downs directly impacting our profitability, tied-up capital in slow-moving inventory reducing our liquidity, and higher storage and handling costs pressuring our margins, which may adversely and materially affect our business, results of operations and financial

condition. Conversely, if we underestimate customer demand for our solutions, we may not be able to deliver solutions to meet their requirements, and this could result in damage to our brand and customer relationships and adversely affect our revenue and results of operations.

We are subject to credit risks related to our customers, and any significant default or delay in settlement of our trade receivables may affect our business, prospects, results of operations and financial conditions.

We are exposed to credit risks related to our customers. As of December 31, 2023, 2024 and 2025, our trade receivables were RMB116.6 million, RMB206.4 million and RMB266.8 million, respectively. As of December 31, 2023, 2024 and 2025, the impairment losses recognized for trade receivables were RMB0.8 million, RMB19.9 million and RMB4.7 million, respectively. Our trade receivables turnover days were 130.6, 181.2 and 165.5 days for 2023, 2024 and 2025, respectively. See "Financial Information—Discussion of Certain Balance Sheet Items—Trade Receivables/Notes Receivables Measured at FVTOCI." Although we have taken internal measures to enhance the management and collection of trade receivables, we cannot assure you of the effectiveness of such measures. Moreover, our customers could experience financial difficulties or encounter other issues in settling the trade receivables with us due to various factors, some of which could be beyond their and our control, such as adverse changes in the competitive landscape and economic conditions, and government policies of the relevant industries. As a result, we may not be able to timely recover relevant trade receivables, if at all, and we will recognize impairment losses associated with such amounts due. Our trade receivable balance may also continue to grow alongside our normal course of business, which may increase our risks for uncollectible receivables. If we are unable to collect our trade receivables from our customers in a timely manner per contractual terms or at all, or if there are any material delays in payment by our customers, our liquidity and cash management will be materially and adversely affected, which, in turn, might affect our business, results of operations and financial condition.

Our ability to meet our financial obligations largely depends on the ability of our customers to fulfill their payment obligations to us. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we encounter difficulties in generating sufficient cash to repay our outstanding financial liabilities, our liquidity, business, results of operations and financial condition may be adversely affected, and we may not be able to expand our business.

Failure to satisfy our obligations related to our bank borrowings may materially and adversely affect our business, results of operations and financial condition.

We have used, and may continue to use, bank borrowings to finance our working capital requirements and capital expenditures. As of December 31, 2023, 2024 and 2025, we had borrowings of RMB15.0 million, RMB24.0 million and RMB34.0 million, respectively, with interest rates ranging from 2.37% to 2.95% per annum. We may also from time to time in the future look for other debt financing opportunities to refinance our existing loans or support our business expansion.

To secure our bank and other borrowings, we may grant security interests from time to time. We have entered into certain supplier finance arrangements with banks. Under these arrangements, the banks pay suppliers the amounts owed by us in advance of the original due dates at a discount offered by the suppliers. Our obligations to suppliers are legally extinguished on settlement by the relevant banks. We then settle with the banks within one year after settlement by the banks with the original amount payable to the suppliers. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices. See Note 31 to the Accountant's Report in Appendix I to this document. We may also grant security interests over our assets in the future. Any failure to satisfy our obligations under these borrowings could lead to foreclosure of the assets that secure these borrowings, if any, disruption to business operations, or otherwise damage our reputation in the industry and our relationship with customers, all of which could materially and adversely affect our business, results of operations and financial condition.

We are subject to certain restrictive covenants under the terms of our bank borrowings, which are commonly found in loan arrangements with financial institutions in China, and may restrict or otherwise adversely affect our operations. These covenants may restrict, among other things, the use of proceeds related to the borrowings, and our ability to engage in change-in-control transactions, make long-term investments, transfer indebtedness, sell, transfer or otherwise dispose of assets related to the borrowings, and reduce our working capital. If we were to breach the covenants, as agreed by the borrowing banks, they would perform a comprehensive risk assessment on us before accelerating our borrowings. However, we cannot assure you that we would be able to pass such risk assessment or otherwise obtain a waiver in a timely manner, on acceptable terms or at all. As a result, we would be in default of such loans, and the relevant counterparty could elect to declare the borrowings, together with accrued and unpaid interest and other fees, immediately due and payable and proceed against security interests under such borrowings, if any. If the borrowings were to be accelerated, our business and liquidity could nevertheless be subject to adverse effects. In addition, such waiver, even if granted, may lead to increased costs, increased interest rates, additional restrictive covenants and other protections available to the counterparties under these borrowings, including the granting of additional security interests, which could adversely affect our business, results of operations, financial condition, and our ability to acquire additional capital resources.

We have granted and may continue to grant share options and other types of awards, which could result in share-based compensation costs that may affect our financial performance, and potentially dilute existing Shareholders' ownership.

We recorded share-based payments expenses of RMB1.8 million, RMB19.4 million and nil in 2023, 2024 and 2025, respectively. We believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our share-based payment expenses may increase, which may further increase our share-based payments expenses, adversely affect our financial performance, and dilute existing Shareholders' stake.

We have incurred net losses, net liabilities, and negative operating cash flow and we may not be able to achieve or maintain profitability in a short time.

Since our inception, we have incurred net losses. In 2023, 2024 and 2025, we had losses for the year of RMB157.5 million, RMB191.8 million and RMB179.3 million, respectively. In addition, we also recorded net liabilities of RMB751.5 million, RMB923.6 million, and RMB1,157.9 million as of December 31, 2023, 2024 and 2025, respectively. We may continue to incur net losses or net liabilities in the short term, as we are in the stage of expanding our business and operations in the rapidly growing cobot market and are continuously investing in research and development. We may not be able to achieve or subsequently maintain profitability in the near future. We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective commercialization strategies, effectively and successfully compete, and develop new products. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. Our costs and expenses may continue to increase in future periods, as we continue to expand our business and operations and invest in research and development activities. In addition, we expect to incur substantial costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses and may not be able to achieve or subsequently maintain profitability.

We recorded net cash used in operating activities of RMB95.2 million, RMB123.5 million and RMB77.5 million in 2023, 2024 and 2025, respectively. See "Financial Information—Liquidity and Capital Resources—Cash Flows." We cannot assure you that we will 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 condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing such as offering and issuing securities, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. In addition, the timing of cash inflows from our customers may not fully align with our scheduled payments for operating expenses, inventory procurement, and other working capital requirements, creating a persistent risk of timing mismatches between cash inflows and operational outflows. Should this cycle

lengthen further, or should material misalignment occur between receivables collection and payment obligations, we may face significant liquidity constraints, impairing our ability to meet financial commitments, fund ongoing operations, or execute strategic initiatives. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. As a result, our business, results of operations and financial condition may be adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Changes in the economic, political or social conditions, laws, regulations or government policies in the jurisdictions where we operate could have a material adverse effect on our business and operations.

Changes in the economic, political and social conditions as well as government policies in the jurisdictions where we operate could adversely affect our business and prospects. Substantially all of our operations and assets are located in China. Accordingly, our business, financial condition and results of operations could also be influenced by changes political, economic and social conditions in this market. Any economic downturn, whether actual or perceived, decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate, as well as changes in the economic or political environment in such markets, could affect our business, financial condition and results of operations.

Governmental supervision of currency conversion, and restrictions on the remittance of Renminbi into and out of China, may limit our ability to pay dividends and other obligations, and adversely affect the value of your investment.

The PRC government imposes supervision on the convertibility of Renminbi into foreign currencies. Substantially all of our transactions are denominated in Renminbi. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments to certain suppliers, if any. 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 Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses, such as direct investments, repayment of loans denominated in foreign currencies, repatriation of investments and investments in securities outside of China. Failure to obtain approval from or complete registration with competent government authorities related to overseas direct investments may result in cessation of the implementation of relevant projects, restrictions on the remittance of Renminbi into or out of China, or even legal of administrative liabilities. If the foreign exchange regulatory policies prevent us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, 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 Renminbi into or out of China.

We may incur expenses to comply with rapidly evolving governmental regulations and other legal obligations concerning data protection and cybersecurity.

We are subject to various regulatory requirements relating to cybersecurity and data privacy in the PRC, including the PRC Data Security Law (中華人民共和國數據安全法), the PRC Cybersecurity Law (中華人民共和國網絡安全法) and the PRC Personal Information Protection Law (中華人民共和國個人信息保護法). We are required to ensure that our data processing activities are carried out in a lawful, legitimate, specific and clear manner. In the course of conducting our business, the data we collect mainly pertains to employee information, customer and supplier contact information, and other data necessary for operation and management. Due to our business nature, we generally do not engage in collecting personal

information through public channels such as operational websites or mini-programs on internet platforms. However, we may still incur expenses to comply with laws and regulations relating to data privacy, data security and consumer protection, as well as relevant industry standards and contractual obligations.

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

Our operations are subject to and may be affected by changes in PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our reputation, business, results of operations and financial condition. Furthermore, the PRC government from time to time adjusts or changes its tax laws and regulations. Further adjustments or changes to PRC tax laws and regulations, together with any uncertainty resulting therefrom, could also have an adverse effect on our business, results of operations and financial condition.

Holders of our H Shares may be subject to PRC income tax obligations.

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

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the PRC Individual Income Tax Law (中華人民共和國個人所得稅法) (the "IIT Law") and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax issued by the MOF and SAT (財政部、國家税務總局關於個人所得税若干政策問題的通知) on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得税的通知) issued by the MOF and SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided that individual income tax shall be levied non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, the PRC tax authorities may change these practices, which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a rate of 10%. In accordance with the Circular of the SAT on Issues Relating to the Withholding of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Share Shareholders of Overseas Non- Resident Enterprise (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) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [**REDACTED**]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval. For details, see "Regulatory Overview—Laws and Regulations Relating to Taxation."

Despite the arrangements mentioned above, there remain significant uncertainties as to the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities and the PRC tax laws and regulations may also change, which may adversely affect the value of your investment in our H Shares.

You may have limited resources in effecting service of legal process or enforcing foreign judgments against us, and our Directors and management.

We are a company incorporated under the PRC laws, and the vast majority of our assets and subsidiaries are currently located in China. Substantially all of our Directors and senior management reside within China. The assets of these Directors and senior management also may be located within China. As a result, it may be difficult or impossible for you to effect service of process upon us or these individuals, or to bring an action against us or against these individuals in the event that you believe your rights have been infringed under the applicable securities laws or otherwise.

On January 14, 2019, the Supreme People's Court of the PRC and the government of Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (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) (the "2019 Arrangement"), which took effect on January 29, 2024. The 2019 Arrangement seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Chinese Mainland and Hong Kong, based on criteria other than a written bilateral choice of court agreement. Under the 2019 Arrangement, any party concerned may apply to the relevant PRC or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases, subject to the conditions set forth in the 2019 Arrangement. However, we cannot assure you that all final judgments will be recognized and effectively enforced by the relevant Chinese Mainland and Hong Kong court.

There is no assurance whether and when we will pay dividends, which is subject to restrictions under PRC law.

Under PRC laws, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under applicable accounting standards 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 our Company to make dividend distributions to its shareholders in the future, including periods for which our Company's 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 the HKFRS in certain respects, our Company may not have distributable profits as determined under PRC GAAP, even if it has profits for that year as determined under the HKFRS, or vice versa. Accordingly, we may not receive sufficient distributions from our PRC subsidiaries. Restrictions on dividend payment could have a negative impact on our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

RISKS RELATING TO THE [REDACTED]

An active [REDACTED] for our H Shares may not develop or be sustained.

Prior to the completion of the [**REDACTED**], there has been no [**REDACTED**] for our H Shares. We cannot assure you that an active [**REDACTED**] for our H Shares with adequate liquidity will develop or be sustained following the completion of the [**REDACTED**]. The initial [**REDACTED**] is the result of negotiations between our Company and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), which may not be indicative of the [**REDACTED**] at which our H Shares will be [**REDACTED**] following the completion of the [**REDACTED**]. The [**REDACTED**] of our H Shares may drop below the initial [**REDACTED**] at any time following the [**REDACTED**].

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

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

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

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

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

While investors [**REDACTED**] shares in the [**REDACTED**] are not subject to any restrictions on the disposal of the H Shares they [**REDACTED**] (except as disclosed in "Information about this Document and the [**REDACTED**] on [**REDACTED**] and [**REDACTED**] of the H Shares"), they may have existing arrangements or agreements to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [**REDACTED**] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [**REDACTED**].

Any sale of the H Shares [**REDACTED**] by such [**REDACTED**] pursuant to such arrangement or agreement could adversely affect the [**REDACTED**] of our H Shares and any sizeable sale could have a material and adverse effect on the [**REDACTED**] of our H Shares and could cause substantial volatility in the [**REDACTED**] of our H Shares.

Any possible conversion of Unlisted Shares into H Shares could increase the supply of H Shares in the market, which may negatively impact the [REDACTED] of H Shares.

According to the stipulations by the State Council's securities regulatory authority and the Articles of Association, our Unlisted Shares may be converted into H Shares and such converted H Shares may be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted shares, the requisite internal approval processes have been duly completed, the filing with the CSRC and the requisite regulatory approvals have been completed, and the requirements and procedures prescribed by the related regulations and guidelines have been satisfied. In addition, such conversion, [**REDACTED**] and [**REDACTED**] must comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We can apply for the [**REDACTED**] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the H Share register. This could increase the supply of H Shares in the [**REDACTED**], and future sales, or perceived sales, of the converted H Shares may adversely affect the [**REDACTED**] of H Shares.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

The [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] consolidated net tangible asset value. We cannot assure you that if we were to immediately liquidate after the [**REDACTED**], any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the [**REDACTED**] may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

Certain facts, forecasts and statistics contained in this document are derived from various government publications and may not be accurate, reliable, complete or up to date.

We have derived certain information and statistics in this document from various official government publications and other publicly available publications. The information from official government sources has not been independently verified by us, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], any of their respective directors and advisors, or any other persons or parties involved in the [**REDACTED**], and, therefore, we cannot assure you as to the accuracy and reliability of such information and statistics, which may not be consistent with other information compiled inside or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. Furthermore, we cannot assure you that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our H Shares, the [REDACTED] for H Shares and [REDACTED] could decline.

The [**REDACTED**] for our H Shares will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our H Shares, the [**REDACTED**] for our H Shares would likely decline.

If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the [**REDACTED**] of or [**REDACTED**] for our H Shares to decline.

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

During the Track Record Period, substantially all of our revenue and expenditures were denominated in Renminbi, and substantially all of our financial assets were also denominated in Renminbi. Any significant change in the exchange rates of the Hong Kong dollar against Renminbi may materially and adversely affect our cash flows, earnings and financial position, and the value of, and any dividends payable on, our H Shares in Hong Kong dollars. For example, a further appreciation of Renminbi against the Hong Kong dollar would make any new Renminbi-denominated investments or expenditures more costly to us, to the extent that we need to convert Hong Kong dollars into Renminbi for such purposes. An appreciation of Renminbi against the Hong Kong dollar would also result in foreign currency translation losses for financial reporting purposes when we translate our Hong Kong dollar denominated financial assets into Renminbi, including [**REDACTED**] from the [**REDACTED**], as Renminbi is the functional currency of our subsidiaries inside China. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the purpose of making payments for dividends on our H Shares or for other business purposes, appreciation of the Hong Kong dollar against Renminbi would have a negative effect on the Hong Kong dollar amount available to us.

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

There had been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [**REDACTED**], press and media coverage regarding us and the [**REDACTED**]. We have not authorized the disclosure of any information concerning the [**REDACTED**] in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective [**REDACTED**] are cautioned to make their decisions on the basis of the information contained in this document only and should not rely on any other information.

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

In preparation for the [**REDACTED**], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RELATION TO PRESENCE OF MANAGEMENT IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Since the business operations of our Group are managed and conducted outside of Hong Kong, and all of the executive Directors of our Company ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange [has] granted, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- *Authorized representatives:* we have appointed Mr. Tuo, our executive Director, chairman of the Board and general manager, and Ms. Lai Janette Tin Yun (賴天恩) ("Ms. Lai"), one of our joint company secretaries, as our authorized representatives ("Authorized Representatives") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. The Company will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives. See "Directors and Senior Management" for more information about our Authorized Representatives;

- *Directors:* to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers and e-mail addresses, to the extent possible) of each of our Directors such that the Authorized Representatives would have the means for contacting all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation to the Authorized Representatives. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;

- *Compliance advisor:* we have appointed Rainbow Capital (HK) Limited as our compliance advisor (the "Compliance Advisor") upon [**REDACTED**] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [**REDACTED**] 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 [**REDACTED**]. The Compliance Advisor will have access at all times to our Authorized Representatives, the Directors and other senior management and

act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor; and

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

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

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

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- a member of The Hong Kong Chartered Governance Institute;
- a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- a certified public accountant (as defined in the Professional Accountants Ordinance).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules provides that, in assessing "relevant experience," the Stock Exchange will consider the individual's:

- length of employment with the issuer and other issuers and the roles he/she played;
- familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code and Mergers and Share Buy-backs;
- relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and
- professional qualifications in other jurisdictions.

Our Company has appointed Mr. Tang Shengtian (唐聖添) ("Mr. Tang") as one of our joint company secretaries. Mr. Tang possesses relevant understanding and knowledge relating to the business operations and corporate culture of our Group. In his capacity as an executive Director, the chief financial officer and board secretary of our Company, Mr. Tang has actively participated in the preparation of the application for the [**REDACTED**] and possesses experience in matters relating to our corporate governance and investor relations affairs. Having considered Mr. Tang's expertise and backgrounds, our Directors consider that Mr. Tang is capable of discharging the functions of a company secretary and is suitable to perform such role.

As Mr. Tang currently does not possess the qualifications under Rule 3.28 of the Listing Rules, and may not be able to fulfill the requirements of the Listing Rules on her own, we have appointed Ms. Lai, a Chartered Secretary, a Chartered Governance Professional and a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who is qualified under Rule 3.28 of the Listing Rules to act as the other company secretary and to work closely with and provide assistance to Mr. Tang for an initial period of three years commencing from the [**REDACTED**].

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

The following arrangements have been, or will be, put in place to assist Mr. Tang in acquiring the qualifications and experience as the joint company secretaries of our Company required under Rules 3.28 and 8.17 of the Listing Rules:

(1) In the course of the preparation of the application for the [**REDACTED**], Mr. Tang has been provided with a memorandum and has attended a training seminar on the respective obligations of our Directors and senior management and our Company under the relevant Hong Kong laws and the Listing Rules provided by our Hong Kong legal advisors.

(2) In addition to the minimum training requirements under Rule 3.29 of the Listing Rules, our Company will ensure that Mr. Tang continues to have access to relevant training and support to familiarize himself with the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Furthermore, our Company will ensure that Mr. Tang will seek and have access to the advice from our Hong Kong legal advisors and other professional advisors as and when required.

(3) Ms. Lai will assist Mr. Tang to acquire the "relevant experience" as required under Note 2 to Rule 3.28 of the Listing Rules and to discharge their duties as company secretaries. Mr. Tang will be assisted by Ms. Lai for an initial period of three years commencing from the [**REDACTED**]. As part of the arrangement, Ms. Lai will act as one of the joint company secretaries and communicate regularly with Mr. Tang on matters relating to corporate governance, the Listing Rules as well as other laws and regulations which are relevant to our Company. She will also assist Mr. Tang in organizing Board meetings and Shareholders' meetings as well as other matters of our Company which are incidental to the duties of a company secretary.

(4) Our Company has appointed the Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules, which will act as our additional channel of communication with the Stock Exchange and provide professional guidance and advice to us and our joint company secretaries as to compliance with the Listing Rules and all other applicable laws and regulations.

We have applied to the Stock Exchange for, and the Stock Exchange has [granted] us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when Ms. Lai ceases to provide such assistance to Mr. Tang or ceases to meet the requirements under Rule 3.28 of the Listing Rules, or if there are material breaches of the Listing Rules by our Company during the three-year period from the [**REDACTED**]. We will demonstrate and seek the Stock Exchanges' confirmation before the end of the three-year period that Mr. Tang, having had the benefit of Ms. Lai's assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See "Directors and Senior Management" for the biographical details of Mr. Tang and Ms. Lai.

[REDACTED]

[REDACTED]

[**REDACTED**]

[REDACTED]

DIRECTORS

Executive Directors

Name	Position	Address	Nationality
Mr. Tuo Hua (庹華)	Executive Director, chairman of the Board and general manager	No.70, Unit 2 Building No.10 Sanyimiao North Haidian District Beijing PRC	Chinese
Mr. Tang Shengtian (唐聖添)	Executive Director, chief financial officer, board secretary and joint company secretary	No.7A Hepingli Middle Street Dongcheng District Beijing PRC	Chinese
Dr. Wang Hao (王皓)	Executive Director and deputy general manager	Room 1603, Unit 2 Building 5, Courtyard 50 Changying South Road Chaoyang District Beijing PRC	Chinese
Mr. Song Bin (宋斌)	Executive Director	Room 402, Unit 3 Building 28, Zone 6 Longtengyuan Huilongguan Town Changping District Beijing PRC	Chinese
Mr. Zhang Lei (張雷)	Executive Director	No. 33 Xitucheng Road Haidian District Beijing PRC	Chinese

Non- executive Director

Dr. Yu Shihua (喻世華)	Non-executive Director	No. 80 Beilishi Road Xicheng District Beijing PRC	Chinese

Independent Non-executive Directors

Mr. Zhang Peilin (章培林)	Independent Non-executive Director	Room 902, Unit 5 Building 10 Wanliu Yangchun Guanghua Jiayuan Haidian District Beijing PRC	Chinese

Name	Position	Address	Nationality
Ms. Zhang Rui (章睿)	Independent Non-executive Director	Room 1503, Unit 2 Building B, Golden Garden Yanjiao Development Zone Sanhe City Hebei Province PRC	Chinese
Ms. Chan Maria	Independent Non-executive Director	1/F, Flat 4 Miami Mansion 99B Waterloo Road Kowloon Hong Kong	Chinese

Further information is set out in the section headed "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

China International Capital Corporation Hong Kong Securities Limited
29/F One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

[REDACTED]

[REDACTED]

[**REDACTED**]

Legal Advisors to the Company

As to Hong Kong law and U.S. law:

Baker & McKenzie
14/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

As to PRC law:

Allbright Beijing Law Office
6F, Office Tower C1, Oriental Plaza
No. 1 East Chang An Avenue
Beijing
PRC

	As to International Sanctions law: **King & Wood** 10F, Building B4, Xinchen Lingang Center Lane 9, North Yunjuan Road Shengang Street Pudong New District, Shanghai PRC
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong law and U.S. law:* **Haiwen & Partners LLP** Suites 601-602 & 610-616, 6/F One International Finance Centre 1 Harbour View Street Central Hong Kong *As to PRC law:* **Haiwen & Partners** 20/F, Fortune Financial Center 5 Dong San Huan Central Road Chaoyang District Beijing PRC
Auditors and Reporting Accountants	**Deloitte Touche Tohmatsu** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 35/F, One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10/F Block B, Jing'an International Center 88 Puji Road Jing'an District Shanghai PRC

[**REDACTED**]

CORPORATE INFORMATION

Registered Office in the PRC	No. 888 Huarun Road Central Electromechanical Industrial Park Zhongxindian Town, Zoucheng City Jining City Shandong Province PRC
Headquarters and Principal Place of Business in the PRC	No. 888 Huarun Road Central Electromechanical Industrial Park Zhongxindian Town, Zoucheng City Jining City Shandong Province PRC
Principal Place of Business in Hong Kong	Room 1915, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**www.rokae.com** *(the information contained on the website does not form part of this document)*
Joint Company Secretaries	**Mr. Tang Shengtian (唐聖添)** No. 7A Hepingli Middle Street Dongcheng District Beijing PRC **Ms. Lai Janette Tin Yun (賴天恩)** *(Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* Room 1915, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

Authorized Representatives	**Mr. Tuo Hua (庹華)** No.70, Unit 2 Building No.10 Sanyimiao North Beijing PRC **Ms. Lai Janette Tin Yun (賴天恩)** *(Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* Room 1915, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Ms. Zhang Rui (章睿) *(Chairlady)* Mr. Zhang Peilin (章培林) Ms. Chan Maria (陳曼麗)
Remuneration and Appraisal Committee	Mr. Zhang Peilin *(Chairman)* Mr. Tuo Hua Ms. Chan Maria
Nomination Committee	Mr. Tuo Hua *(Chairman)* Mr. Zhang Peilin Ms. Zhang Rui
Compliance Advisor	**Rainbow Capital (HK) Limited** Office No. 710, 7/F Wing On House No. 71 Des Voeux Road Central Central Hong Kong

[**REDACTED**]

Principal Banks	**China Merchants Bank** **Beijing Beiyuan Road Sci-Tech Finance Branch** 1st Floor, Room 102 Building 1, Courtyard 186 Beiyuan Road Chaoyang District Beijing PRC

China Merchants Bank
Jining Zoucheng Branch
No. 1121 West Taiping Road
Zoucheng City, Shandong Province
PRC

Industrial and Commercial Bank of China
Zoucheng Branch
No. 99 North Yishan Road
Zoucheng City, Jining City, Shandong Province
PRC

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by CIC, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged China Insights Consultancy to prepare the independent industry report, or the CIC Report, in connection with the [**REDACTED**]. *The information from official government sources has not been independently verified by us or any other parties involved in the* [**REDACTED**]*, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the* [**REDACTED**] *and no representation is given as to its accuracy.*

OVERVIEW OF INDUSTRIAL ROBOT INDUSTRY

Definition and Classification of Industrial Robots

As global manufacturing systems are accelerating their transition to automation and intelligence, industrial robots are emerging as core executive units in smart manufacturing systems. Driven by the continuous advancement of digital technologies and the constant upgrading of manufacturing models, industrial robots are no longer confined to the role of traditional automated tools. Instead, by virtue of their intelligent decision-making and flexible response capabilities across multiple scenarios, they have become key drivers for the transformation of production paradigms in the new wave of industrial transformation. Meanwhile, driven by factors such as geopolitical frictions, redundant capacity expansion, demographic changes, imbalance between labor supply and demand, and enterprises' urgent demand for efficient and flexible production, there is growing adoption of industrial robots in industry sectors such as manufacturing, commercial services, and healthcare.

Industrial robots refer to automatically controlled, reprogrammable, multi-purpose robotic arms used for automation applications in industrial environments. Their mechanical structures are similar to human arms, enabling flexible trajectory planning and complex operational tasks. Different from collaborative robots, industrial robots are often used in dedicated industrial workplaces, which is restricted by safety barriers as they are not designed for direct human interactions. Based on robot type, industrial robots can be mainly further categorized into the following types:

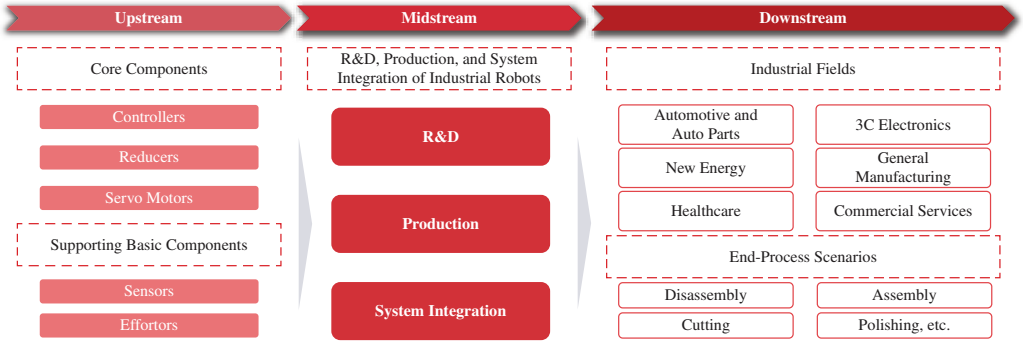
Type	Definitions
Vertical Articulated Robots	Vertical articulated robots refer to multi-joint robotic arms or multi-degree-of-freedom robots designed for industrial applications. They typically feature six degrees of freedom and possess characteristics such as flexible spatial movement, high load-carrying capacity, and high-precision path control, enabling them to perform multi-angle operations within complex industrial processes. In practical applications, such robots generally require safe operating distances or protective isolation measures to ensure operational safety.
SCARA Robots	SCARA robots are high-speed, high-precision industrial robots featuring a horizontally articulated multi-joint structure.
Delta Robots	Delta robots are lightweight, high-speed robots utilizing a parallel triangular structure.

Source: IFR, MIR, CIC

Industrial Chain Analysis of the Industrial Robot Market

The upstream of the industrial robot industry mainly consists of providers of core components and supporting basic components. Core components include controllers, servo motors, and reducers, while supporting basic components mainly cover sensors, end effectors, etc. The midstream mainly involves R&D, production, and system integration. The downstream application of the industrial robot industry covers multiple industrial fields and end-process scenarios, such as automotive and auto parts, 3C electronics, new energy, general manufacturing, healthcare, and commercial services.

Industrial Chain of the Industrial Robot Industry



Source: CIC

Market Size of Industrial Robot Industry

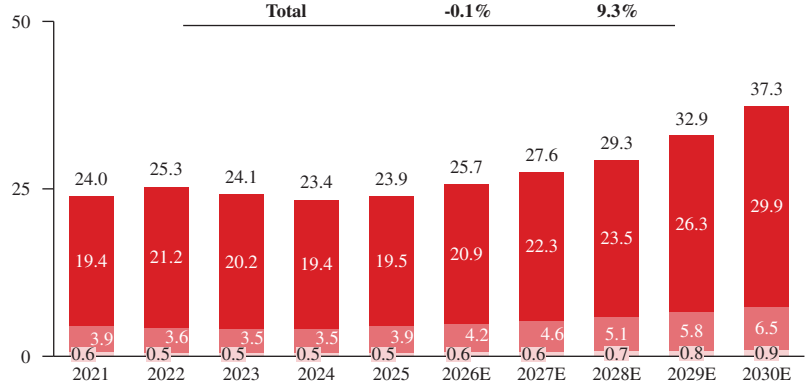
Globally, the industrial robot market has continued to expand as manufacturers accelerate automation deployment to enhance production resilience, improve operational efficiency and respond to evolving supply chain configurations. The global robot market reached RMB93.9 billion in 2025 and is expected to further increase to RMB160.8 billion by 2030, representing a CAGR of 11.3% from 2025 to 2030.

Driven by multiple factors including the accelerating population aging, rising labor costs, expanding downstream application scenarios, and growing policy support, China's industrial robot market reached RMB23.9 billion in 2025. During this period, the impact of the pandemic pushed downstream manufacturing to accelerate automation transformation, leading to the concentrated release of short-term demand. Coupled with excessive capacity expansion in some industries, a certain degree of structural overcapacity emerged. At the same time, uneven global macroeconomic recovery and weakening external demand made manufacturing investment more cautious, resulting in a phased slowdown in market growth from 2023 to 2024. In the next five years, China's industrial robot market is expected to reach RMB37.3 billion in 2030, at a CAGR of 9.3% from 2025 to 2030.

In terms of sales volume, China's industrial robot market increased from 240.7 thousand units in 2021 to 293.9 thousand in 2025, at a CAGR of 5.1%. Among them, vertical articulated robots still maintained a large scale, at a CAGR of 5.6%. The sales volume of China's industrial robot market is expected to reach 465.3 thousand units, at a CAGR of 9.6% from 2025 to 2030.

Market Size of China's Industrial Robot in Terms of Sales Revenue, 2021-2030E, by Robot Type

	CAGR	
	2021-2025	**2025-2030E**
Vertical Articulated Robots	0.1%	8.9%
SCARA Robots	-0.3%	11.0%
Delta Robots	-4.0%	11.3%
Total	**-0.1%**	**9.3%**



Source: MIR, GGII, CIC

Drivers of China's Industrial Robot Industries

- *Labor shortage leading to increased labor costs*. Global aging and the declining share of working-age population have made labor shortages more common in major manufacturing countries including China. From 2020 to 2030, the proportion of the population aged 65 and above is expected to increase from 9.3% to nearly 12%. In addition, labor costs have continued to rise. Meanwhile, the average annual wage in the manufacturing industry increased from RMB74.6 thousand in 2020 to over RMB100 thousand in 2025 and is expected to further increase to approximately RMB130 thousand by 2030, representing a CAGR of 6.0%. As a result, robot manufacturers are increasingly adopting industrial robots to reduce labor dependence, improve production stability, and control costs.
- *Industrial intelligent transformation driving expansion of downstream application scope*. The manufacturing industry is in a critical period of evolution from "automated production" to "intelligent manufacturing." As a result, industrial robots not only undertake repetitive labor tasks but also gradually extend to processes such as high-precision assembly, complex process machining, and flexible production scheduling.
- *Continuous innovation in core technologies driving down production costs*. The localization of key components such as controllers, servo motors, and reducers is accelerating in China, strengthening supply chain independence and reducing production costs. Meanwhile, AI technologies are improving robots' perception, learning, and collaboration capabilities. With the development of embodied intelligence, industrial robots are gradually evolving into more adaptive and intelligent systems, further lowering adoption barriers and supporting market expansion.
- *Favorable policy support from governments worldwide*. Governments generally regard the robot industry as an important part of strategic emerging industries and have introduced industrial support policies and special development plans covering R&D investment, industrial chain improvement, application demonstrations, and market promotion. In 2024, China issued the Implementation Plan for Promoting Equipment Upgrades in the Industrial Sector (推動工業領域設備更新實施方案), which encourages the deployment of smart manufacturing equipment such as industrial robots in key production and logistics processes.

Development Trends and Opportunities of China's Industrial Robot Industries

- *Domestic market players are accelerating global expansion*. With the advancement of the domestic substitution, Chinese market players have been continuously enhancing their core technologies, product performance, and system integration capabilities. While steadily expanding their share in the domestic market, these market players are actively establishing overseas operations.
- *Accelerated evolution of new types of intelligent industrial robots expanding scope of applications*. New types of intelligent industrial robots such as embodied intelligent robots, composite robots, and dual-arm collaborative robots are constantly maturing and expanding the boundaries of operational tasks in industrial scenarios. These advanced types possess the capabilities of complex process operations and precise motion execution, enabling them to penetrate more high- difficulty industrial segments, such as precision assembly, flexible production, and high-reliability testing.

Threats and Challenges of China's Industrial Robot Industries

- *High Dependence on Core Components*. Key components such as reducers, servo motors, and high-performance controllers still rely partly on imports. Domestic providers require further advancement in precision control, consistency, and durability performance. Fluctuations in the supply and cost of these core components may affect delivery schedules and cost structures of system integrators and robot providers, thereby creating uncertainties in profitability.
- *Rising Demand for System Integration and Customization*. Different downstream industries have varying requirements for flexibility, precision, and stability. Customers are placing greater emphasis on full-line integration capability and alignment with industry-specific solutions, making it difficult for single-function mechanical performance to serve as a sustainable competitive advantage. Companies must continue to invest in software algorithms, machine vision, and system integration to meet the needs of complex processes and flexible production environments.

Entry Barriers to China's Industrial Robot Industries

- *Core components and motion control capabilities*. Industrial robots require high precision, stability and durability in core components such as controllers, servo systems and reducers. New entrants need long-term accumulation in motion control, trajectory planning and reliability validation.

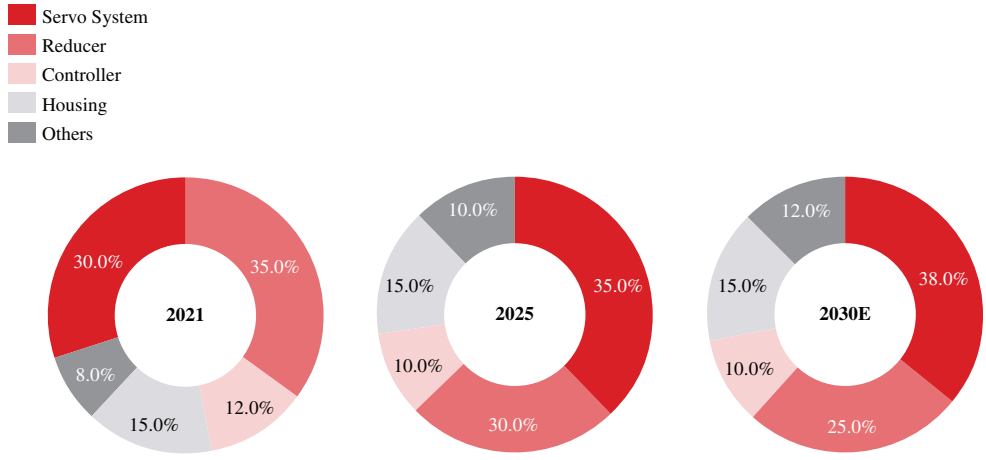
- *System integration and customer validation*. Downstream customers usually require customized deployment based on specific production lines. Companies need strong process know-how, project delivery capabilities and after-sales service support, making it difficult for new entrants to gain customer trust in the short term.

Cost Structure and Trend of China's Industrial Robot Industry

The major costs of industrial robots are primarily attributed to servo systems and reducers. Servo systems serve as the power and motion execution units responsible for driving joint movement and controlling speed, position, and torque, while reducers are transmission components installed at robot joints to reduce speed and increase output torque. Together, servo systems and reducers accounted for approximately 60% to 65% of total cost in 2025. In addition, controllers, which function as the core control units of industrial robots, accounted for approximately 10% of total cost, while housing represented approximately 15%.

From the perspective of unit price trends, the unit price of servo systems used in industrial robots was approximately RMB1,400-RMB1,600 in 2021, declined to approximately RMB1,000-RMB1,200 in 2025, and is expected to further decrease to approximately RMB600-RMB800 by 2030. The unit price of reducers also showed a downward trend, decreasing from RMB1,800-RMB2,000 in 2021 to RMB800-RMB1,000 in 2025, and is expected to further decline to around RMB500-RMB600 by 2030. Such price decreases are mainly driven by continuous technological advancement, increasing localization of core components and the growing maturity of the supply chain. Overall, as production efficiency of key components improves and large-scale application accelerates, the unit prices of core components such as servo systems and reducers are expected to continue to decline, which will help reduce the overall production cost of industrial robots and provide greater flexibility in setting product selling prices.

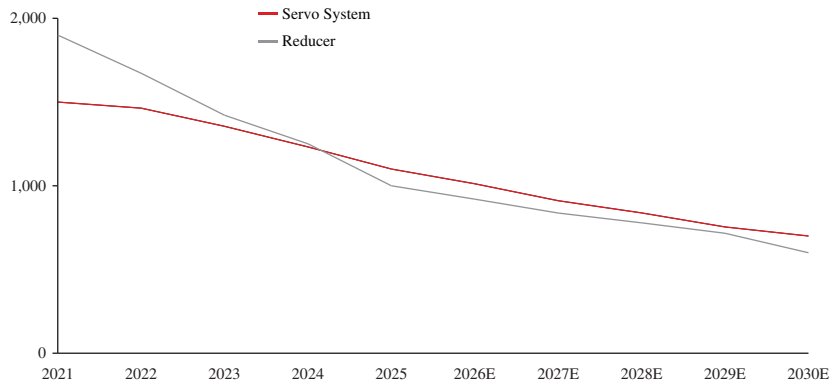
Cost Structure of China's Industrial Robots, 2021, 2025 and 2030E



Source: CIC

Note: Housing primarily refers to the structural casing, frame and protective enclosures of industrial robots. Others primarily include power supplies, wiring harnesses, connectors and other auxiliary components.

Average Price Range of China's Industrial Robot Core Components, 2021–2030E



Source: CIC

OVERVIEW OF CHINA'S COLLABORATIVE ROBOT MARKET

Definition and Classification of Collaborative Robots

Collaborative robots are robots designed to operate near humans within a shared workspace, enabling direct human-robot interaction or cooperation. Different from the industrial robots, which are primarily suited for high-precision and high-speed production in isolated environments, collaborative robots are more suited for the environments involving human interaction and safe collaboration. Based on the implementation method of mechanical sensing capabilities, collaborative robots can be divided into two categories:

- *Flexible collaborative robots*. With native force control capabilities, they feature one built-in high-precision torque sensor in each joint (six or more in total), enabling global multi-point native force control. Such robots perform prominently in applications requiring high force perception (e.g., precision assembly, flexible grinding, and medical rehabilitation) and possess advantages in safety and precision. According to the *General Technical Requirements for Flexible Control of Industrial Robots* (GB/T 38839-2020) issued by the China Machinery Industry Federation, "flexible control technology" refers to a class of control methods whereby industrial robots utilize state data fed back through the drive bus and sensor data collected from external sensors to dynamically adjust motion planning, enabling point-to-point control or continuous path control. The term "flexible" has been widely adopted within the collaborative robotics industry.
- *Traditional collaborative robots*. They can achieve force control functions through only one external torque sensor at the end, with relatively concentrated sensing capabilities. They are suitable for application scenarios with low force control requirements. While traditional collaborative robots have advantages in cost and deployment convenience, they have limitations in expanding to complex processes and high-precision compliant operations.

Market Size of Collaborative Robot Industry

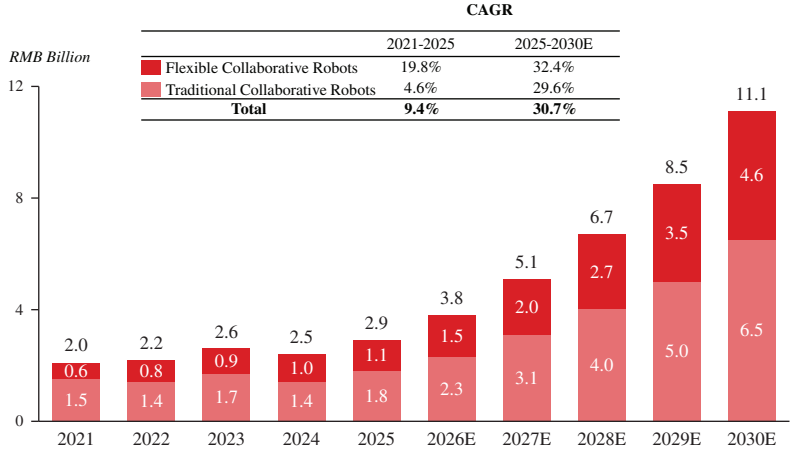
Globally, collaborative robots are gaining wider adoption across manufacturing and service scenarios due to their advantages in flexible deployment, safe human-robot collaboration and ease of integration. The market size of the global collaborative robot market reached RMB9.82 billion in 2025 and is expected to further increase to RMB36.08 billion by 2030, representing a CAGR of 29.7% from 2025 to 2030.

China's collaborative robot market is in a stage of rapid development. The market size of China's collaborative robots grew from RMB2.9 billion in 2025 to RMB11.1 billion in 2030, at a CAGR of 30.7%. Among them, flexible collaborative robots, with their high compatibility in seamless human-robot collaboration on production lines, have gradually extended to scenarios with higher complexity and diverse demand, driven by breakthroughs in intelligent force perception and vision technologies. The sales revenue of China's flexible collaborative robots increased from RMB0.6 billion in 2021 to RMB1.1 billion

in 2025, at a CAGR of 19.8%. Leveraging the advantages of native multi-sensor design in precision, safety, and flexible operations, the sales revenue of flexible collaborative robots is expected to reach RMB4.6 billion by 2030, at a CAGR of 32.4% from 2025 to 2030.

In terms of sales volume, the sales volume of China's collaborative robots increased from 18.0 thousand units in 2021 to 45.9 thousand units in 2025, at a CAGR of 26.4%. The market size is expected to reach 232.1 thousand units by 2030, at a CAGR of 38.3% from 2025 to 2030. Among these, the sales volume of flexible collaborative robots is expected to increase from 6.9 thousand units in 2025 to 39.7 thousand units in 2030, representing a CAGR of 42.0%.

Market Size of China's Collaborative Robot in Terms of Sales Revenue, 2021-2030E, by Type



Source: GGII, MIR, CIC

Drivers and Trends of China Collaborative Robot Markets

- *Diversified demand for segmented application scenarios in the manufacturing sector.* The manufacturing industry is transitioning from standardized production to customized production, with increasing reliance on processes such as high-precision assembly, complex casting, and intelligent inspection. In production environments with multiple varieties, small batches, and frequent changes, collaborative robots, with their flexible deployment and rapid adaptation capabilities, can achieve efficient operations and meet more differentiated demands.
- *Positive promotion from policy environments in various countries.* Major global economies generally regard the robot industry as a key part of advanced manufacturing and strategic emerging industries and promote technological innovation and application implementation through long-term plans and special policies. China's Ministry of Industry and Information Technology ("MIIT") issued the National Intelligent Manufacturing Standards System Construction Guidelines (2024 Edition) (國家智能製造標準體系建設指南(2024版)), which establishes standards for intelligent equipment such as collaborative robots in typical industries, aiming to promote their implementation in the smart manufacturing scenarios.
- *Increased demand for safe human-robot collaboration.* Under the "human-robot co-line" (人機共線) production model, enterprises have higher requirements for safety and flexibility in the collaboration process. By integrating multi-channel torque sensors in each joint and fusing visual and tactile data, flexible collaborative robots can achieve active obstacle avoidance, anomaly detection, and flexible response.

Threats and Challenges of China's Collaborative Robot Industries

- *Challenges in balancing safety and performance*. To enable human-robot collaboration, collaborative robots are typically required to limit operating speed, output force, and inertia to meet safety requirements. This may affect production cycle time and operational efficiency to a certain extent, particularly in high-intensity or high-speed manufacturing scenarios.

- *Limitations in payload capacity and operating speed*. Due to safety requirements for human-robot collaboration, collaborative robots are generally designed with constraints on payload capacity and operating speed. As a result, their applicability in heavy-duty, high-speed, or high-intensity operational environments may be relatively limited.

Entry Barriers to China's Collaborative Robot Industries

- *Safe collaboration and force-control capabilities*. Collaborative robots need to operate safely and efficiently in shared workspaces with humans. Flexible collaborative robots, in particular, require advanced joint-level force control, torque sensing and active obstacle avoidance capabilities.

- *Talent requirements*. Success in the collaborative robot industry requires a diversified talent pool with expertise in mechanics, electronics and other relevant disciplines. Leading companies have already established strong R&D teams and talent pipelines. New entrants must invest substantial capital to attract and cultivate highly skilled professionals in order to build an efficient talent team.

COMPETITIVE OVERVIEW OF CHINA'S INDUSTRIAL ROBOT MARKET

Competitive Landscape of China's Industrial Robot Providers

China's industrial robot providers can be broadly categorized into domestic and overseas market players. Domestic market players often originate from local automation companies or academic research backgrounds. These providers typically start with indigenous technologies and are characterized by quick response times and high operational flexibility. The second category comprises overseas market players, which are generally multinational corporations with a global presence and possess delivery and service capabilities across multiple countries. Due to intense competition in China, the competitive landscape among domestic providers remains relatively fragmented; however, the market share of domestic players has been gradually increasing. In 2025, domestic market players accounted for over 20% of the market share in China's industrial robot market in terms of sales revenue.

Ranking of China's Industrial Robot Providers

In 2025, in terms of sales revenue, the Company ranked sixth among domestic providers in China's industrial robot market, with a market share of 0.9%.

Ranking of Top 6 Domestic Industrial Robot Providers in China, in Terms of Revenue, 2025

Ranking	Company Name	Sales Revenue (RMB Billion)	Market Share
1	Company A	1.77	7.4%
2	Company B	0.85	3.6%
3	Company C	0.70	2.9%
4	Company D	0.40	1.7%
5	Company E	0.26	1.1%
6	**The Company**	**0.22**	**0.9%**
Top 6 Providers		**4.2**	**17.6%**
Total		**23.9**	**100.0%**

Source: MIR, Annual Reports, Expert Interviews, CIC

Notes:

Company A was established in China in 2002, listed on the Shenzhen Stock Exchange. Its main business covers R&D, manufacturing, and system integration services of robots and intelligent manufacturing equipment.

Company B was established in China in 2003, listed on the Shenzhen Stock Exchange. It focuses on industrial automation control and robot technology, providing overall intelligent manufacturing solutions.

Company C was established in China in 2007, listed on the Shanghai Stock Exchange. It focuses on robot complete machines and intelligent manufacturing system solutions.

Company D was established in China in 1995, listed on the Shenzhen Stock Exchange. Its core business includes industrial robots, servo drives, and industrial controllers, with motion control technology as the foundation.

Company E was established in China in 2012 and focuses on the research, development, manufacturing, sales, and service of core components and complete industrial robots for intelligent automation.

Key Success Factors in China's Industrial Robot Market

- *Leading R&D capabilities and technology*. A complete R&D cycle from fundamental technological breakthroughs to scenario-based application deployment enables market players in China's industrial robot market to sustain a competitive edge in product iteration efficiency, performance optimization, and application expansion. At the same time, leading market players are gradually moving away from a "technology-following" path toward a forward-looking development model centered on independent innovation, building a R&D platform covering from underlying technologies and control systems to modular components and product applications.
- *Broad client base and sustained service capabilities*. Leading market players can often serve multiple industry fields, forming a cross-industry and cross-regional client network to diversify risks brought by cyclical fluctuations in a single industry. At the same time, they can provide high-quality service support throughout the client lifecycle, maintaining client trust and enhancing client stickiness with efficient and sustained service capabilities, and promoting the establishment of long-term cooperative relationships with customers.
- *Open robot network*. Building an open and scalable network has become critical for market players to sustain long-term competitiveness. Leading market players leverage modular designs and standardized interfaces to enable rapid integration of end-effectors, sensors and other hardware, while aggregating developer resources through open platforms to form a collaborative network. This approach supports the rapid development and deployment of customized functions and, through plug-in marketplaces and developer communities, attracts continuous third-party innovation to enrich application scenarios and enhance customer value.

COMPETITIVE OVERVIEW OF CHINA'S COLLABORATIVE ROBOT MARKET

Ranking of China's Collaborative Robot Providers

In 2025, in terms of sales volume, the Company ranked fourth among the top six collaborative robot providers in China, with a market share of 8.1%. In 2025, in terms of sales revenue, the Company ranked sixth with a market share of 4.8%, and is the only one providing flexible collaborative robots at an annual production exceeding 1,000 units among the top six collaborative robot providers in China.

Ranking of Top 6 Collaborative Robot Providers in China, in Terms of Revenue, 2025

Ranking	Company Name	Sales Revenue (RMB Billion)	Market Share	Whether providing flexible collaborative robots at an annual production exceeding 1,000 units
1	Company F	0.33	11.3%	No
2	Company G	0.32	11.1%	No
3	Company H	0.23	7.7%	No
4	Company I	0.20	6.8%	No
5	Company J	0.16	5.5%	No
6	**The Company**	**0.14**	**4.8%**	**Yes**
Top 6 Providers		**1.4**	**47.3%**	
Total		**2.9**	**100.0%**	

Source: MIR, Annual Reports, Expert Interviews, CIC

Notes:

Company F was established in China in 2015, dedicated to the R&D and industrialization of collaborative robots and providing intelligent solutions.

Company G was established in China in 2014, focusing on collaborative robot R&D and intelligent manufacturing solution innovation.

Company H was established in Taiwan, China in 2015 and is focused on the development and manufacturing of collaborative robots.

Company I was established in China in 2011 and focuses on the research and development of industrial robots and AI technologies, as well as their industrial applications.

Company J was established in Denmark in 2005, mainly engaged in the design, manufacturing, and sales of collaborative robots and supporting equipment and services.

Key Success Factors in China's Collaborative Robot Market

- *High R&D Investment Costs.* Developing collaborative robots requires substantial R&D investment and strong financial resources. The emergence of 5G communication and AI technologies is driving collaborative robots into a wider range of industrial application fields, while enhancing their force control and sensing capabilities, thereby promoting flexible collaboration. This means that providers must invest heavily in technological advancements to develop new products and improve existing ones, ensuring that they maintain a leading position in the market.
- *Leading Technology Innovation.* An experienced R&D team is adept at identifying and leveraging cutting-edge technology trends, driving new product development, enhancing product competitiveness, and influencing market trends. Established providers benefit from years of technological development in core components, which creates significant entry barriers for new participants. Without deep industry knowledge, new entrants find it difficult to produce competitive products and tailor them to specific market needs.
- *Diversified Scenario Experience.* Collaborative robot providers rely on extensive project experience and customer case studies to thrive. Such experience enables a company to understand customer needs, refine product design, expand its product matrix, and adapt to diverse usage scenarios across different end users. New entrants lacking practical project experience and industry insights will find it difficult to gain a foothold in the market.

OVERVIEW OF THE EMBODIED INTELLIGENT ROBOT MARKET

Definition and Importance of the Embodied Intelligent Robot Industry

Embodied intelligent robots are a new generation of robot form developed with embodied intelligence as the core concept. They can continuously obtain information through interaction with the environment, form cognition, and make autonomous decisions, thereby demonstrating a higher level of adaptability and intelligent behavior.

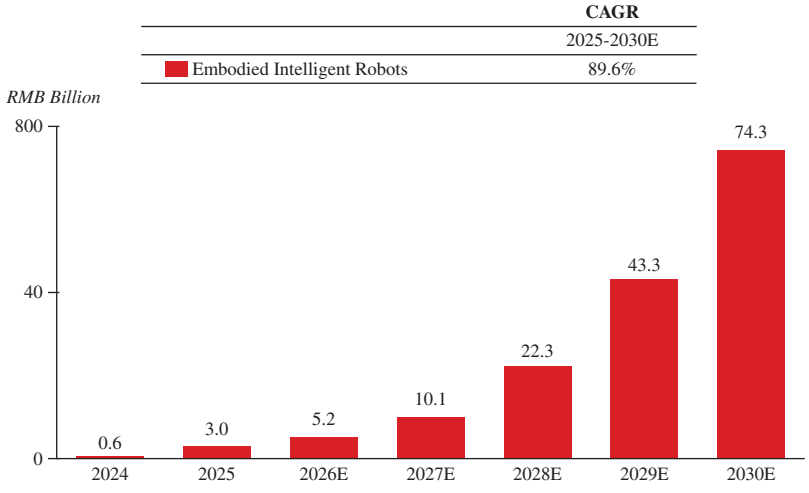
Among these, embodied intelligent robotic arms represent a key form of embodied intelligent systems. Compared with traditional industrial or collaborative robotic arms, which primarily perform pre-programmed and repetitive tasks, embodied intelligent robotic arms integrate multi-modal perception, force control, and adaptive decision-making capabilities. Such systems are able to perceive dynamic environments, interact with objects with a higher degree of compliance and precision, and continuously optimize their actions through learning-based methods.

From an industry development perspective, traditional industrial robot providers are actively expanding into the embodied intelligent robotics field. Leveraging their expertise in actuators, reducers, control systems, and robotic arms, these providers possess a solid technological foundation to participate in this market. In particular, industrial robot providers and component suppliers with capabilities in flexible force control and real-time industrial communication architectures are well positioned to benefit from the growing adoption of embodied intelligent robots.

Market Size of China's Embodied Intelligent Robots Industry

China's embodied intelligent robot market is at a formative stage and only became measurable at approximately RMB0.6 billion in 2024, yet it is in a stage of rapid growth. The market size of China's embodied intelligent robots exceeded RMB3.0 billion in 2025 and is expected to reach approximately RMB74.3 billion by 2030. Driven by artificial intelligence, multi-modal perception, improved computing power, and expanded downstream applications, the market is further projected to grow to approximately RMB460.0 billion by 2035, representing a CAGR of approximately 44.0% from 2030 to 2035, entering a high-growth phase. Within the next decade, the embodied intelligent robot industry is expected to become an important breakthrough in the robot industry and artificial intelligence applications, promoting its widespread penetration in multiple fields such as industrial manufacturing, commercial services, healthcare, and household scenarios.

Market Size of China's Embodied Intelligent Robot in Terms of Sales Revenue, 2024-2030E



Source: IFR, IDC, CIC

Market Size and Competitive Landscape of the China's Embodied Intelligent Robotic Arms Industry

The market size of China's embodied intelligent robotic arms industry reached approximately RMB0.8 billion in 2025 and is expected to reach approximately RMB15.0 billion by 2030. As the embodied intelligent robotics market remains at an early stage of development, the competitive landscape for supporting robotic arm providers continues to evolve. In 2025, among embodied intelligent robotic arm providers in China, the Company ranked the third in terms of sales revenue, with a market share of 6.3%.

Ranking of Top 5 Embodied Intelligent Robotic Arm Providers in China, in Terms of Revenue, 2025

Ranking	Company Name	Sales Revenue (RMB Billion)	Market Share
1	Company K	0.22	27.5%
2	Company L	0.10	12.5%
3	**The Company**	**0.05**	**6.3%**
4	Company M	0.04	5.0%
5	Company N	0.01	1.3%
Top 5 Providers		**0.4**	**52.5%**
Total		**0.8**	**100.0%**

Source: Expert Interviews, CIC

Notes:

Company K was established in 2018, specializing in the R&D and manufacturing of ultra-lightweight robotic arms.

Company L was established in 2017, specializing in the R&D, production and sales of small industrial robots and automation solutions.

Company M was established in 2019, specializing in the R&D of intelligent mobile robots and automated logistics solutions.

Company N was established in 2015, specializing in the R&D and manufacturing of core precision control components for the robotics industry.

Drivers and Trends of China's Embodied Intelligent Robot Industry

- *Breakthroughs in multimodal foundation model technologies.* Embodied intelligent robots rely on multimodal perception systems, including vision, voice and force sensing, to acquire and understand environmental information. Driven by advances in multimodal foundation models, robots can achieve efficient integration and real-time reasoning of cross-modal information in complex environments, thereby gaining stronger understanding and decision-making capabilities, breaking through the limitations of traditional "repetitive tasks," and greatly enhancing their application value in the real world.

- *Software-hardware integration and improved computing power.* With the advancement of chip fabrication and the wide application of low-power consumption platforms, the core hardware performance of embodied intelligent robots has been significantly enhanced. The continuous upgrading of sensors, drivers, and actuators provides robots with more precise motion control and higher response speed. At the same time, the software-hardware integrated architecture design enables robots to achieve efficient data processing and control execution under improved computing power, reducing energy consumption and latency.

- *Dual promotion of capital and policies.* China released the Guidelines for the Construction of a Comprehensive Standardization System for the National Artificial Intelligence Industry (2024 Edition) (國家人工智能產業綜合標準化體系建設指南(2024版)), which identifies embodied intelligence as a key technological focus and intelligent robots as a priority area for intelligent products and services. The guidelines aim to drive the implementation of robotic technologies and applications through a systematic standards framework. Meanwhile, the capital market is also accelerating its entry. Leading technology companies, industrial funds, and venture capitals are continuously increasing investment to promote the rapid growth of innovative enterprises.

Threats and Challenges of China's Embodied Intelligent Robot Industry

- *Limited Commercialization.* The embodied intelligence robot industry is still in its early exploratory stage, with a relatively small market scale. Most core products remain in the technology validation or small-scale pilot phase. A unified commercial model has yet to be established, and profitability depends on the concurrent advancement of technology maturity, cost reduction, and downstream demand development. In the short term, enterprises face high investment requirements and long payback cycles.

- *Unproven Application Scenarios.* The practical feasibility of embodied intelligence robots in general-purpose scenarios remains to be tested. The industry currently lacks unified performance evaluation and safety standards, and product definitions and application boundaries vary widely among robot providers. Although the policy framework is gradually improving and several leading enterprises are promoting application pilots, achieving large-scale commercialization still requires overcoming challenges related to technical stability, cost control, and user adoption.

Entry Barriers to China's Embodied Intelligent Robot Industry

- *System-level R&D and engineering delivery barriers*. Embodied intelligent robots are highly integrated software-hardware systems. Companies need to possess comprehensive system R&D capabilities and achieve stable, reliable and safe operation in complex real-world scenarios. Leading industry players have typically accumulated long-term expertise in motion control, perception and decision-making, safety redundancy and scenario adaptation, making it difficult for new entrants to replicate in the short term.

- *Core components and mass production delivery barriers*. Embodied intelligent robots have high requirements for core components in terms of torque density, response speed and safety levels, while also requiring a balance between cost and performance. Companies with in-house development or deep joint development capabilities for core components, quality and reliability validation capabilities, supply chain management capabilities and mass production yield management capabilities are better positioned to establish competitive advantages.

Source and Reliability of Information

We commissioned CIC to analyze and report on the China's industrial robot industry, collaborative robot industry and embodied intelligent robot industry. CIC is a market research and consulting firm established in Hong Kong, engaged in providing professional consulting services across various industries. We have agreed to pay CIC a fee of RMB675,000 for the preparation of the CIC Report. Data cited in this section, as well as in "Summary," "Risk Factors," "Business," "Financial Information," and other sections of this document, is provided to give potential investors a more comprehensive understanding of the industries in which we operate. Unless otherwise stated, all data and forecasts contained in this section are derived from the CIC Report.

The data collected by CIC have been analyzed, assessed, and validated using CIC's in-house analysis models and techniques. Primary research was conducted through interviews with key industry experts and leading industry participants. Secondary research involves analyzing data from public data sources.

The market forecast in the CIC Report is based on the following key assumptions: (1) during the forecast period, the overall social, economic, and political environment in the world and China is expected to remain stable; (2) during the forecast period, relevant key industry drivers may continue to drive the growth of the China's industrial robot industry, collaborative robot industry and embodied intelligent robot industry, such as increasing downstream demand, technological advancements, and policy support; and (3) during the forecast period, there will be no extreme force majeure or unforeseen industry regulations that could have a drastic or fundamental impact on the market. Our Directors confirm that, after taking reasonable care, there is no material adverse change in the overall market information since the date of the CIC Report that would materially qualify, contradict or have an impact on such information.

This section sets out a summary of certain aspects of laws and regulations of the PRC, which are relevant to the business and operations of our Company.

PRINCIPAL REGULATORY AUTHORITIES

In addition to the supervision and management by authorities that perform general regulation on companies in the PRC, the Company's operations in the PRC are mainly subject to supervision and management under the following authorities:

MIIT

The main responsibilities of the MIIT include, among others: proposing strategies and policies in relation to industrial development, drafting and organizing the implementation of industrial plans and industrial policies, drafting and promulgating industrial regulations and technical specifications, formulating and implementing standards and policies for high-tech industries, promoting the development of emerging industries, and guiding relevant industries in strengthening safety production management.

NDRC

The main responsibilities of the NDRC include, among others: organizing the formulation of a comprehensive industrial policy, regulating and managing fixed-asset investment projects, proposing strategies and policies for the utilization of inbound and outbound investment, and proposing a negative list for foreign investment access.

MOFCOM

The main responsibilities of MOFCOM include, among others: supervising and regulating the foreign investment activities nationwide, formulating foreign investment policies and organizing their implementation, approving the establishment of and changes of foreign-invested enterprises in accordance with applicable laws, promoting industrial restructuring in the distribution sector, guiding reforms in distribution enterprises, developing commercial services and community commerce, formulating administrative measures and specific policies for outbound investment, and authorizing, in accordance with the applicable laws, outbound investment by domestic enterprises.

REGULATIONS AND POLICIES RELATING TO THE 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") were issued by the 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"). Enterprises may voluntarily apply.

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 March 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 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 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 SAMR, the former China Banking and Insurance Regulatory Commission, the 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)" in 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.

On January 18, 2023, the MIIT, the Ministry of Education, the Ministry of Public Security, the Ministry of Civil Affairs, the Ministry of Finance, the Ministry of Human Resources and Social Security, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport, the Ministry of Agriculture and Rural Affairs, the National Health Commission, the Ministry of Emergency Management, the State Administration for Market Regulation, the National Energy Administration, the State Administration for Science, Technology and Industry for National Defense, the State Post Bureau, the National Mine Safety Administration, and the National Medical Products Administration jointly issued the Implementation Plan for "Robot+" Application Action (「機器人+」應用行動實施方案), which sets a target to double the robot density in manufacturing by 2025 compared to 2020, while significantly enhancing the depth and breadth of applications for service robots and special-purpose robots across industries, the ability of robots to promote high-quality economic and social development has been significantly enhanced.

REGULATIONS RELATING TO AI

As of the latest practicable date, the primary regulations related to artificial intelligence include "the Administrative Provisions on Algorithm Recommendation for Internet Information Services"(互聯網信息服務算法推薦管理規定), the "Administrative Provisions on Deep Synthesis of Internet-based Information Services"(互聯網信息服務深度合成管理規定), the "Interim Measures for the Management of Generative AI Services"(生成式人工智能服務管理暫行辦法), "the Artificial Intelligence Generated and Synthesized Content Labeling Measures"(人工智能生成合成內容標識辦法), etc.

Pursuant to the Administrative Provisions on Algorithm Recommendation for Internet Information Services (互聯網信息服務算法推薦管理規定, Decree No. 9 of the Cyberspace Administration of China, promulgated on December 31, 2021, effective on March 1, 2022), the regulation applies to the application of algorithm recommendation technologies to provide internet information services (hereinafter referred to as "Algorithm Recommendation Services") within the territory of the PRC. The term "application of algorithm recommendation technologies" as mentioned in the preceding paragraph refers to the use of algorithm technologies such as generative synthesis, personalized push, ranking selection, retrieval filtering, and scheduling decision-making to provide information to users. The regulation establish a unified regulatory framework for Agorithm Recommendation Services. The Algorithm Recommendation Services providers are required to fulfill primary responsibilities, set up management systems, complete filing and public disclosure for algorithms with public opinion attributes or social mobilization capabilities, protect users' rights and interests, and be subject to hierarchical regulation and security assessment requirements.

According to the Administrative Provisions on Deep Synthesis of Internet-based Information Services (互聯網信息服務深度合成管理規定, Decree No. 12 of the Cyberspace Administration of China, Ministry of Industry and Information Technology, and Ministry of Public Security, promulgated on November 25, 2022, effective on January 10, 2023), the regulation applies to the application of deep synthesis technology to provide Internet-based information services (hereinafter referred to as the "Deep Synthesis Services") within the territory of the PRC. Deep synthesis technology refers to the technology that uses deep learning, virtual reality, and other generative synthesis algorithms to generate text, images, audio, video, virtual scenes, and other network information. The regulation requires that the Deep Synthesis Services providers must assume the primary responsibility for information security, establish systems for real-name authentication, content review, data security and algorithm governance, label the generated content, and refrain from engaging in activities that endanger national security, public interests or the rights and interests of others.

According to the Interim Measures for the Management of Generative AI Services (生成式人工智 能服務管理暫行辦法, Decree No. 15 of the Cyberspace Administration of China, Promulgated on July 10, 2023, effective on August 15, 2023), the regulation applies to the use of generative artificial intelligence technologies (hereinafter referred to as "Generative AI Technology") to provide the public within the territory of the PRC with services of generating contents (hereinafter referred to as "Generative AI Service"). "Generative AI Technology" is defined as models and related technologies that can generate text, pictures, audio, video and other contents. The regulation requires the Generative AI Service providers (i) to conduct data training activities, including pre-training and fine-tuning, and to only use lawfully sourced data and foundational models, (ii) not to infringe upon the legitimate intellectual property rights of others, (iii) to obtain the relevant individual's consent or comply with other circumstances as prescribed by applicable laws and administrative regulationss while the personal information is processed, (iv) to adopt effective measures to improve training data quality and uphold the authenticity, accuracy, objectivity and diversity of training data, etc. Besides, the regulation also sets forth clear requirements governing data annotation.

Pursuant to the Artificial Intelligence Generated and Synthesized Content Labeling Measures (人工智能生成合成內容標識辦法, Guo Xin Ban Tong Zi [2025] No. 2, promulgated on March 7, 2025, effective on September 1, 2025) The regulations requires that the AI-generated content (such as images and videos) must be marked with explicit labels that can be clearly perceived, and implicit labels which are not easily perceived (such as watermarks). This requirement aims to curb disinformation by ensuring full transparency and traceability of all AI-generated content.

Our PRC Legal Adviser is of the view that, the major regulations related to artificial intelligence as listed above mainly focus on utilizing certain technology (i.e. deep synthesis technology, Generative AI Technology) to generate new content, some further concern about providing the generative new content or the Generative AI Service to the internet users or to the general public within the territory of the PRC. Based on that: (i) our products and services mainly utilize AI for data analysis and do not involve the creation of new content, and (ii) we are an enterprise concentrating on industrial robots and do not provide Generative AI Service to the general public, nor do we involve the application of certain AI-related technology (i.e. algorithm recommendation technology) to provide internet information services, our PRC Legal Adviser is of the view that our business does not involve Generative AI Service or internet information service utilizing AI-related technology, and therefore the latest regulations governing AI as listed above are not applicable to us and we are not required to make any filing, registration or obtain approvals with the relevant PRC authorities for our robots. Should we offer such Generative AI Service in the future, we commit to complying with the relevant regulations on generative AI. Moreover, we will continuously monitor the legislative developments in laws and regulations relating to AI, and timely fulfil the relevant legal obligations.

REGULATIONS RELATING TO FOREIGN INVESTMENT

According to the Foreign Investment Law of the PRC (中華人民共和國外商投資法), which was promulgated by the NPC on March 15, 2019, and coming into effect on January 1, 2020, the state shall implement the management systems of pre-establishment national treatment and negative list for foreign investment, and shall give national treatment to foreign investment beyond the negative list.

According to the Measures for the Reporting of Foreign Investment Information (外商投資信息報告辦法), which was promulgated by the MOFCOM and the SAMR on December 30, 2019 and came into effect on January 1, 2020, in relation to foreign investors carrying out investment activities directly or indirectly in the PRC, the foreign investors or foreign-invested enterprises shall submit investment information to the competent commerce authorities pursuant to these measures.

Investment activities in the PRC by foreign investors are principally governed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2025 Version) (外商投資准入特別管理措施(負面清單)(2025年版)) (the "Negative List"). The Negative List, which was promulgated on April 16, 2025, and became effective on the same day, sets out special administrative measures in respect of the access of foreign investments in a centralized manner. Foreign investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List, while for foreign investments outside the Negative List, it shall be administered under the principle of equal treatment to domestic and foreign investment.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

According to the Patent Law of the PRC (中華人民共和國專利法) promulgated by the SCNPC on March 12, 1984, and last amended on October 17, 2020 and implemented on June 1, 2021 as well as the Implementation Rules for the Patent Law of the PRC (中華人民共和國專利法實施細則) promulgated by the State Council on June 15, 2001, last amended on December 1, 2023 and implemented on January 20, 2024, patents in China are protected by law, the validity period of patent for inventions is 20 years, the validity period of patent for utility models is 10 years, and the validity period of patent for designs is 15 years, in each case starting from the date of application.

Trademark

According to the Trademark Law of the PRC (中華人民共和國商標法), which was promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (中華人民共和國商標法實施條例), which was promulgated by the State Council on August 3, 2002, last amended on April 29, 2014 and came into effect on May 1, 2014. Registered trademarks are trademarks approved and registered by the Trademark Office. A trademark registrant enjoys exclusive rights to use a registered trademark, which is protected by the law. The registration of a trademark shall be valid for ten years from the date of approval for registration.

Copyright

According to the Copyright Law of the PRC (中華人民共和國著作權法), which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Rules of the Copyright Law of the PRC (中華人民共和國著作權法實施條例), which was promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and came into effect on March 1, 2013, works of Chinese citizens, legal persons or unincorporated organizations, i.e. intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form, whether published or not, are entitled to copyright. The copyright holder can enjoy multiple rights, including the right of publication, the right of authorship, and the right of reproduction.

Domain names

According to the Administrative Measures for Internet Domain Names (互聯網域名管理辦法), which was promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, the principle of "first come, first served" applies to domain name registration service. The applicant of domain name registration shall provide the service agency of domain name registration with the true, accurate and complete information about the domain name holder's identity for the registration purpose.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

The PRC Product Quality Law (中華人民共和國產品質量法) (the "Product Quality Law") promulgated by the SCNPC on February 22, 1993 and most recently amended on December 29, 2018 is the principal governing law related to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable to compensate for any physical injuries or damage to property other than the defective product itself resulting from the defects in the product, unless the manufacturer is able to prove that: (i) the product has not been put into circulation; (ii) the defects causing injuries or damage did not exist at the time when the product was put into circulation; or (iii) the science and technology at the time when the product was put into circulation were at a level incapable of detecting the existence of the defect. A seller shall be liable to compensate for any physical injuries or damage to property of others caused by the defects in the product. Where a product is defective due to a mistake made by the seller and such defect causes physical injury or damage to the property of others, the seller shall bear liability for compensation. Where a seller cannot specify the producer of a defective product nor the supplier of such defective product, the seller shall be liable for compensation. Where a defect in a product causes physical injuries to others or damages to the property of others, the victim may claim compensation from the producer of the product or from the seller of the product.

Pursuant to the Civil Code of the PRC (中華人民共和國民法典) (the "Civil Code") promulgated by the NPC on May 28, 2020 and becoming effective on January 1, 2021, in the event of damages caused to others due to the defects in a product, the infringed party may seek compensation from the manufacturer or the seller of such product and shall have the right to request the manufacturer and the seller to bear tortious liabilities, such as cessation of infringement, removal of obstruction, elimination of danger, etc.

LAWS AND REGULATIONS RELATING TO IMPORTATION AND EXPORTATION OF GOODS

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 which came into effect on July 1, 1994 and most recently amended on December 30, 2022 and the PRC Regulations on the Administration of Import and Export of Goods (中華人民共和國貨物進出口管理條例) promulgated by the State Council on December 10, 2001, most recently amended on March 10, 2024, and effective from May 1, 2024, both stipulated that the import and export of goods and technologies to and from the PRC are free, unless otherwise stipulated in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations. The PRC Customs Law (中華人民共和國海關法) promulgated on January 22, 1987, as most recently amended on April 29, 2021, stipulates that, among other things, the consignee or consignor of import or export goods or a customs agent shall file for record with relevant customs authority before going through any customs declaration procedures. Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (中華人民共和國海關報關單位備案管理規定) promulgated by the General Administration of Customs of the PRC on November 19, 2021, and effective from January 1, 2022, further gives detailed requirement on the documents needed for the filing and the requirement on reporting certain changes of the filed information to the relevant customs authority.

REGULATIONS RELATING TO LAND

According to the Civil Code, the establishment, modification, assignment and extinguishment of real estate property rights are effective upon registration in accordance with the law; unless the law stipulates otherwise, such establishment, modification, assignment and extinguishment shall be ineffective without registration. Real estate registration shall be handled by the registration authority at the location of the property.

The Land Administration Law of the PRC (中華人民共和國土地管理法) (the "Land Administration Law") was first issued by the SCNPC on June 25, 1986, with the latest revision published on August 26, 2019 and January 1, 2020, respectively. Pursuant to the Land Administration Law, state-owned land may be transferred or allocated to construction entities or individuals in accordance with the law.

REGULATIONS RELATING TO LEASING

According to the Administrative Measures for Commodity House Leasing (商品房屋租賃管理辦法), which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, within 30 days after the conclusion of the house leasing contract, the parties involved in the house leasing shall carry out house leasing registration with the construction (real estate) administrative department of the people's government of a municipality directly under the central government of the PRC, city or county where the house leased is located. The relevant parties may entrust others in writing to complete the house leasing registration and filling. If the relevant parties fail to make registration, they may be ordered to make corrections within a specified time limit by the construction (real estate) administrative department of the people's government of a municipality directly under the central government of the PRC, city or county. If any individual fails to do so, a fine of less than RMB1,000 will be imposed, while if any entity fails to do so, a fine not less than RMB1,000 and not more than RMB10,000 will be imposed.

REGULATIONS ON PRODUCTION SAFETY

The Work Safety Law of the PRC (中華人民共和國安全生產法) (the "Work Safety Law") was promulgated by the SCNPC on June 29, 2002, most recently amended on June 10, 2021 and became effective on September 1, 2021. The Work Safety Law applies to all entities engaging in production and business activities in the PRC. Such entities shall, according to the Work Safety Law of, strengthen work safety management, establish and improve the all-staff work safety responsibility system and internal rules and regulations in relation to work safety, increase investment in funds, materials, technologies and staff for work safety, improve working conditions, strengthen the development of a standardized and information technology enabled work safety system, establish a dual prevention mechanism of graded management and control of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism so as to ensure work safety.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

The PRC laws and regulations relating to environmental protection mainly include: the Environmental Protection Law of the PRC (中華人民共和國環境保護法) (promulgated by the SCNPC on December 26, 1989, last amended on April 24, 2014, and implemented on January 1, 2015), Water Pollution Prevention and Control Law of the PRC (中華人民共和國水污染防治法) (promulgated by the SCNPC on May 11, 1984, last amended on June 27, 2017, and implemented on January 1, 2018), Atmospheric Pollution Prevention and Control Law of the PRC (中華人民共和國大氣污染防治法) (promulgated by the SCNPC on September 5, 1987, last amended and implemented on October 26, 2018), Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法) (promulgated by the SCNPC on October 30, 1995, last amended on April 29, 2020, and implemented on September 1, 2020), and Measures for Pollutant Discharge Permitting Administration (排污許可管理辦法) (promulgated by the Ministry of Ecology and Environment on December 25, 2023, and implemented on July 1, 2024). Pursuant to the aforesaid laws and regulations, enterprises that discharge and dispose of toxic and dangerous substances such as wastewater, waste gas and solid wastes shall comply with the national and local standards of usage and shall declare to and register with the relevant environmental protection administration authorities and pay environmental protection tax according to law where applicable. Pursuant to the Law on Environmental Impact Assessment of the PRC (中華人民共和國環境影響評價法), promulgated by the SCNPC on October 28, 2002, and last amended and implemented on December 29, 2018, construction entities should prepare the environment impact reports, reporting forms or registration forms of the environment impact. Pursuant to the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (建設項目竣工環境保護驗收暫行辦法), promulgated and implemented by the Ministry of Environmental Protection on November 20, 2017, and the Regulations on the Administration Construction Project Environmental Protection (建設項目環境保護管理條例), promulgated by the State Council on November 29, 1998, last amended on July 16, 2017, and implemented on October 1, 2017, after the completion of a construction project for which an environmental impact report or an environmental impact report form is required, the construction entity shall, according to standards and procedures prescribed by the environmental protection administrative authorities of the State Council, conduct environmental

protection completion acceptance check and compile an acceptance check report. A construction project for which an environmental impact report or an environmental impact report form is required shall not be put into production or use until the environmental protection completion acceptance check has been passed; projects that have not undergone acceptance or have failed acceptance shall not be put into production or use. 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) (the "Fire Prevention Law"), 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 TAXATION

Income tax

According to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法), 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税法實施條例), 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税政策的公告), 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, 2020, 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%.

The Circular of the SAT on Issues Relating to the Withholding of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Share Shareholders of Overseas Non-Resident Enterprise (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), which was issued by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise unified withhold enterprise income tax at a rate of 10% on dividends paid to H Share shareholders of overseas non-resident enterprise for 2008 and subsequent years. After receiving dividends, the shareholder of a non-resident enterprise may apply to the competent tax authority for the treatment under the tax treaty (arrangement), and after the examination and verification by the competent tax authority, shall refund the balance between the tax paid and the tax payable calculated according to the tax rate stipulated in the tax treaty (arrangement).

Value-added tax

According to the Interim Regulations of the PRC on Value-added Tax (中華人民共和國增值稅暫行條例), which was promulgated by the State Council on December 13, 1993 and implemented on January 1, 1994, and last revised on November 19, 2017, has come into effect on the same date and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (中華人民共和國增值稅暫行條例實施細則), which was promulgated by the Ministry of Finance on December 25, 1993 and last amended and effective on October 28, 2011, entities and individuals that sell goods or labor services of processing, repair or replacement, sell services, intangible assets, or immovables, or import goods within the territory of Chinese Mainland are taxpayers of value-added tax, and shall pay VAT in accordance with law. Unless otherwise stipulated, the VAT rate is 17% for taxpayers selling goods, labor services, or tangible movable property leasing services or importing goods; 11% for taxpayers selling transportation, postal, basic telecommunications, construction, or immovable leasing services, selling immovables, transferring land use rights, or selling or importing specific goods; unless otherwise stipulated, 6% for taxpayers selling services or intangible assets.

According to the Circular of the MOF and the SAT on Adjusting Value-added Tax Rate (財政部、稅務總局關於調整增值稅稅率的通知), which was promulgated by the MOF and the SAT on April 4, 2018 and became effective on May 1, 2018, the tax rates for the taxable sales or goods import activity, which were subject to the tax rates of 17% and 11% respectively, were adjusted to 16% and 10% respectively.

According to the Circular on Policies in Relation to the Deepening of Value-added Tax Reforms (關於深化增值税改革有關政策的公告), which was jointly promulgated by the MOF, the SAT and the General Administration of Customs on March 20, 2019, and has come into effect on April 1, 2019, the tax rate of 16% and 10% originally applicable to general VAT taxpayers' VAT taxable sales or goods import shall be adjusted to 13% and 9%, respectively.

LAWS AND REGULATIONS RELATING TO LABOR CONTRACT, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (中華人民共和國勞動法), which was promulgated by the SCNPC on July 5, 1994, came into effect on January 1, 1995 and last revised on December 29, 2018, and the Labor Contract Law of the PRC (中華人民共和國勞動合同法), which was promulgated on June 29, 2007 and has come into effect on January 1, 2008, revised on December 28, 2012 and came into effect on July 1, 2013, written labor contracts shall be executed between an entity and its employees if an employment relationship is established. Employers are required to inform their employees about their job responsibilities, working conditions, occupational hazards, remuneration and other matters with which the employees may be concerned. Employers shall pay remuneration to employees on time and in full in accordance with the commitments set forth in their employment contracts and the relevant PRC laws and regulations.

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (中華人民共和國社會保險法), which was promulgated by the SCNPC on October 28, 2010, came into effect on July 1, 2011 and last revised on December 29, 2018, the Interim Regulations on Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例), which was promulgated by the State Council on January 22, 1999 and revised on March 24, 2019, the Trial Measures for Enterprise Staff Maternity Insurance (企業職工生育保險試行辦法), which was promulgated by the Ministry of Human Resources and Social Security and came into effect on January 1, 1995, the Regulations on Work-Related Injury Insurance (工傷保險條例), which was promulgated by the State Council and came into effect on January 1, 2004, amended on December 20, 2010 and came into effect on January 1, 2011, and the Regulations on Management of Housing Provident Fund (住房公積金管理條例), which was promulgated and implemented on April 3, 1999 and last revised on March 24, 2019, employers in Chinese Mainland shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing provident fund. Employers who fail to contribute to the above social insurance may be ordered by the social insurance premiums collection authority to make full payment within a prescribed time period; if the employer fails to do so, a fine may be imposed. If an employing entity fails to make the payment towards housing provident funds within a prescribed time limit, an application may be made to a people's court for enforcement.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

Pursuant to the Regulations on Foreign Exchange Control of the PRC (中華人民共和國外匯管理條例) promulgated by the State Council on January 29, 1996 and came into effect on April 1, 1996, and last amended on August 5, 2008 and came into effect on the same date, and relevant regulations, there is no restriction on the recurring international payment and transfer. Foreign exchange income and expenses of capital items (such as direct equity investment and loans) shall comply with the provisions of relevant laws and regulations, and where required for approval or registration by relevant regulations from foreign exchange administration authorities, such approval or registration shall be filed.

According to the Notice on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (關於境外上市外匯管理有關問題的通知) promulgated by the SAFE on February 1, 2005, as amended on December 26, 2014 by the SAFE Circular 16 (defined below), the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance.

According to the Notice of the SAFE on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) promulgated on March 30, 2015, came into effect on June 1, 2015 and as amended by the SAFE Circular 16 (defined below), partially abolished on December 30, 2019 and partially amended on March 23, 2023, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operations. Whilst, foreign-invested enterprises are prohibited to use the foreign exchange capital settled in RMB (a) for any expenditures beyond the business scope of the foreign-invested enterprises or forbidden by laws and regulations; (b) for direct or indirect securities investment; (c) to provide entrusted loans (unless permitted in the business scope), repay loans between enterprises (including advances by third parties) or repay RMB bank loans that have been on-lent to a third party; and (d) to purchase real estates not for self-use purposes (save for real estate enterprises).

According to the Circular of the SAFE on Optimizing Foreign Exchange Management Service in Support of Foreign Business Development (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知) promulgated by the SAFE on April 10, 2020 and came into effect on the same day, on the premise of ensuring the authentic and compliant use of funds and complying with the existing regulations on the use of capital income, eligible enterprises are allowed to use capital income such as capital funds, foreign debts and proceeds from overseas listing for domestic payments without providing materials to the bank in advance for authenticity verification on a case-by-case basis. The concerned banks shall follow the principle of prudent development to control the relevant business risks and conduct post inspection on the use of funds under capital accounts handled in accordance with relevant requirements.

In accordance with the Circular on Further Promoting Cross-border Trade and Investment Facilitation (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知), which was issued and came into effect on October 23, 2019 by the SAFE and was amended on December 4, 2023, foreign-invested enterprise engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to laws and regulations under the condition that the current Special Administrative Measures (Negative List) for Foreign Investment Access are not violated and the relevant domestic investment projects are true and compliant.

REGULATIONS RELATING TO OVERSEAS DIRECT INVESTMENT

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (企業境外投資管理辦法) promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018, the investing activities of enterprises in Chinese Mainland such as acquiring overseas ownerships, controlling rights, operating and management rights and other relevant interests by way of investing assets and interests or providing financing and guarantees to control its overseas enterprises, either directly or indirectly, are required to obtain approval or filing with the NDRC in accordance with the relevant conditions of the overseas investment projects. Outbound investment projects that involve sensitive countries and regions or sensitive industries shall be subject to administration of verification and approval by the NDRC.

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 and came into effect on October 6, 2014, the MOFCOM and the commerce departments at provincial levels shall subject the overseas investment of enterprises to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region, or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management.

Pursuant to the Regulations on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (境內機構境外直接投資外匯管理規定) issued by the SAFE on July 13, 2009 and came into effect on August 1, 2009 and the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment, when obtaining approval for overseas investment, Chinese enterprises must apply to the bank of their registered location for foreign exchange registration for overseas direct investment.

LAWS AND REGULATIONS RELATING TO INFORMATION SECURITY AND DATA PROTECTION

The Cybersecurity Law of the PRC (中華人民共和國網絡安全法) (the "Cybersecurity Law") promulgated by the SCNPC on November 7, 2016, amended on October 28, 2025, and became effective on January 1, 2026. The purpose of enacting this Law is to safeguard cybersecurity, protect national sovereignty in cyberspace, national security and public interests, and defend the legitimate rights and interests of citizens, legal persons and other organizations.

Internet service providers who do not comply with the provisions of the Cybersecurity Law and relevant regulations may be subject to administrative liabilities, including warnings, fines, confiscation of illegal gains, revocation of permits, orders to suspend business for rectification, and closure of websites. In cases of serious circumstances, criminal liabilities shall also be assumed by such providers.

On June 10, 2021, the the Standing Committee of the National People's Congress promulgated the PRC Data Security Law (中華人民共和國數據安全法) (the "Data Security Law"), which took effect on September 1, 2021. The Data Security Law stipulates the obligations in relation to data security and privacy protection for entities and individuals carrying out data processing activities.

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. These Regulations clarify 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.

LAWS AND REGULATIONS RELATING TO ANTI-UNFAIR COMPETITION

According to the Anti-Monopoly Law of the PRC (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 and implemented on August 1, 2008, and last revised on June 24, 2022, has come into effect on August 1, 2022, the Anti-Monopoly Law applies to the monopolistic practices in domestic economic activities in Chinese Mainland as well as the monopolistic practices outside Chinese Mainland which have exclusion or restriction effects on domestic market competitions. The monopolistic practices under the Anti-Monopoly Law include any monopoly agreement reached by any operators, abuse of market-dominating position by any operators and any concentration of operators which has eliminated or limited or may eliminate or limit the market competition.

The anti-monopoly law enforcement agencies designated by the State Council are responsible for enforcement of the Anti-Monopoly Law in accordance with the provisions of the Anti-Monopoly Law. The anti-monopoly law enforcement agencies of the State Council may, according to the needs of their work, authorize the corresponding agencies of the people's governments of provinces, autonomous regions, and municipalities to be responsible for enforcement of the Anti-Monopoly Law. Operators who violate the provisions of the Anti-Monopoly Law will be ordered by the anti-monopoly law enforcement agencies to stop the illegal act, any illegal gains shall be confiscated and be imposed a fine.

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 implemented on December 1, 1993, and last revised on June 27, 2025, to take effect on October 15, 2025, operators shall comply with the principle of voluntariness, equality, impartiality, integrity and abide by laws and business ethics in market transactions. Under the Anti-unfair Competition Law, unfair competition refers to an operator disrupts the market competition order and damages the legitimate rights

and interests of other operators or consumers in violation of the provisions of the Anti-unfair Competition Law in the production and operating activities. Operators who violate of the Anti-unfair Competition Law shall bear corresponding civil, administrative or criminal responsibilities depending on the specific circumstances.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

The CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the "Overseas Listing Trial Measures") and five related guidelines on February 17, 2023, which came into effect on March 31, 2023. The Overseas Listing Trial Measures introduce a new filing regime which requires PRC domestic companies to register their direct and indirect overseas listings and securities offerings with the CSRC by filing materials on key compliance issues. The Overseas Listing Trial Measures provide that overseas listing and offering are explicitly prohibited, if any of the following applies: (i) such securities offering and listing are explicitly prohibited by specific laws and regulations; (ii) the proposed securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council; (iii) the domestic company or its controlling shareholder(s) and the actual controller, have committed crimes including corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy in the past three years; (iv) the domestic company is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations which have not definitive conclusion; 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. As advised by our PRC Legal Advisors, we do not fall within any of the aforementioned situations which would prohibit us from listing overseas.

The CSRC and other three relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) (the "Provision on Confidentiality") on February 24, 2023, and came into effect on March 31, 2023. Pursuant to the Provision on Confidentiality, when a domestic company provides or publicly discloses the documents and materials involving state secrets and working secrets of state organs to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses such the documents and materials through its overseas listing subjects, it shall report to the competent department with the examination and approval authority for approval, and file with the same level secrecy administration department. Domestic companies providing accounting archives or copies thereof to entities and individuals such as securities companies, securities service institutions and overseas regulatory authorities shall perform the relevant procedures according to relevant regulations. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide related services for the overseas offering and listing of domestic enterprises shall be kept within the territory of the PRC. Cross-border transferring of such working papers shall go through the examination and approval formalities in accordance with the relevant regulations.

LAWS AND REGULATIONS RELATING TO FULL CIRCULATION OF H SHARES

"Full circulation" means listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC announced the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (Announcement of the CSRC [2019] No. 22) (H股公司境內未上市股份申請「全流通」業務指引(中國證券監督管理委員會公告[2019]22號)) (the "Guidelines for the 'Full Circulation'"), which was amended on August 10, 2023.

According to the Guidelines for the "Full Circulation", shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for "full circulation". To file an application for "full circulation", an H-share listed company shall file the application with the CSRC according to the administrative licensing procedures necessary for the "examination and approval of public issuance and listing (including additional issuance) of shares overseas by a joint stock company".

On December 31, 2019, China Securities Depository and Clearing Corporation Limited ("CSDC") and the Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share "Full Circulation" Business (H股「全流通」業務實施細則) (the "Measures for Implementation"). The businesses of cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. in relation to the H-share "full circulation business", are subject to the Measures for Implementation.

In order to fully promote the reform of H-shares "full circulation" and clarify the business arrangement and procedures for the relevant shares' registration, custody, settlement and delivery, Shenzhen Branch of China Securities Depository and Clearing Corporation Limited has issued the Guidelines to the Program for "Full Circulation" of H-shares (H股「全流通」業務指南) in September, 2024, which specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. According to the Overseas Listing Trial Measures, the H-shares "full circulation" should comply with the relevant regulations of the CSRC, and the domestic company should be entrusted to file with the CSRC.

OVERVIEW

We primarily manufacture and sell robotic products, and, to a lesser extent, provide related robotic solutions in Chinese Mainland and overseas markets, dedicated to the design, development, manufacturing and commercialization of our offerings. Leveraging our proprietary technology platform, we have cultivated a dynamic robotic application portfolio, comprising industrial robots, flexible collaborative robots, embodied intelligent robots, and related robotic solutions characterized by performance, agility, intelligence, safety and robustness.

Our Company was incorporated as a limited liability company under the laws of the PRC in December 2014. Mr. Tuo, our founder, is a distinguished entrepreneur, innovator and business leader. Under leadership and management of Mr. Tuo, in terms of revenue in 2025, we ranked No. 6 among domestic robot providers in China's industrial robot market with a market share of 0.9%, and No. 6 in China's collaborative robot market with a market share of 4.8%, according to the CIC Report. We are also the only provider of flexible collaborative robots at an annual production exceeding 1,000 units among the top six collaborative robot providers in China. We are also one of the top five providers in China's embodied intelligent robotic arm market with a market share of 6.3%, according to the same source. See "Directors and Senior Management" for the biographical details of Mr. Tuo. Since our establishment, we have conducted several rounds of [**REDACTED**] investments to fund our strategic growth and broaden our shareholder base. See "—[**REDACTED**] Investments" for details. In December 2024, we were converted into a joint stock company with limited liability. See "—Joint Stock Reform of Our Company" for details.

Mr. Tuo has been our ultimate Controlling Shareholder since our establishment. As of the Latest Practicable Date, Mr. Tuo collectively controlled 38.78% of the voting power at the general meetings of our Company, comprising (i) 13.46% beneficially owned by Mr. Tuo, (ii) 15.44% collectively held by Luoshi Brothers LP and Ruluo Brothers LP, which are our Employee Share Ownership Platforms and controlled by Mr. Tuo acting as the sole general partner, (iii) 4.94%, 2.89% and 2.05% held by Tibet Meiling and Hubei Meihua, Jiaxing Yuanshi and Shandong Zhengfang, respectively, which are our [**REDACTED**] Investors and have vested to Mr. Tuo the right to ultimate control over the voting rights of Shares held by them pursuant to the Voting Proxy Agreements. Upon the [**REDACTED**], Mr. Tuo will collectively control [**REDACTED**]% of the voting power at the general meetings of our Company through the aforementioned interests and voting proxy arrangements. Therefore, Mr. Tuo, together with Ruluo Brothers LP and Luoshi Brothers LP, constituted the group of our Controlling Shareholders as of the Latest Practicable Date and will be the group of our Controlling Shareholders upon the [**REDACTED**] pursuant to the Listing Rules.

BUSINESS MILESTONES

The following table illustrates our major business milestones:

Year	Milestones
2014	Our Company was incorporated as a limited liability company in the PRC.
2015	We established our headquarters and R&D center in Beijing.
2016	We launched our first product-grade robotic control system.
2017	We commenced operation of our Shandong manufacturing facilities.
	We established our Southern China regional headquarters and Eastern China regional headquarter.
2018	We released our lightweight robotic platform.
2019	We launched our flexible collaborative robot, xMate series.
2020	We entered into strategic collaborations with several leading global automotive and 3C enterprises.

Year	Milestones
2021	We were recognized as a national-level "Little Giant" enterprise specializing in niche sectors (國家級專精特新重點"小巨人"企業).
	We established our Central China regional headquarters.
2022	We commenced operation of our intelligent manufacturing factory.
	We established our overseas subsidiary in Japan.
2023	We launched our flexible collaborative robots series SR and series CR20 and industrial robots series NB12, NB80 and NB220.
2024	Our Company was converted into a joint stock company under the laws of the PRC.
	We launched our series NB25h industrial robots and new-generation control system xCore 3.0.
	We established our embodied intelligence innovation center in Shanghai.
2025	We launched our new industrial robots series NB12h and series NB185, our new flexible collaborative robots series CR35, our new humanoid compliant force-controlled arm series AR5, new wheeled dual-arm robot series Helios, new humanoid robot Series Human.X.

OUR COMPANY AND MAJOR SHAREHOLDING MOVEMENT DURING THE TRACK RECORD PERIOD

Our Company's Early Development

On December 15, 2014, our Company was incorporated as a limited liability company under the laws of the PRC by Mr. Tuo, Mr. Han Fengtao (韓峰濤) and Mr. Cao Hua (曹華), with a registered capital of RMB3.0 million. Upon incorporation, our Company was owned by Mr. Tuo, Mr. Han Fengtao and Mr. Cao Hua as to 33.3%, 33.3% and 33.3%, respectively. Each of Mr. Han Fengtao and Mr. Cao Hua is a former colleague and business partner of Mr. Tuo and an independent third party. In order to devote more time in their other businesses, Mr. Cao Hua and Mr. Han Fengtao disposed their entire equity interest in our Company and ceased to be a Shareholder in March 2021 and December 2024, respectively.

[**REDACTED**] Investments

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of [**REDACTED**] investments since the incorporation of our Company. See "—[**REDACTED**] Investments" for details.

Establishment of Employee Share Ownership Platforms

In September 2017 and May 2019, Mr. Tuo, Mr. Cao Hua and Mr. Han Fengtao transferred certain of their equity interest at nil consideration to Ruluo Brothers LP and Luoshi Brothers LP, our Employee Share Ownership Platforms as employee incentive shares, respectively. In December 2021, we issued additional 5% new equity interests to Luoshi Brothers LP with increased registered share capital of RMB0.35 million for employee incentive purpose. As of the Latest Practicable Date, Ruluo Brothers LP and Luoshi Brothers LP collectively held 15.44% of total share capital of our Company. See "—Employee Share Ownership Platforms" for more information.

Joint Stock Reform of Our Company

On November 5, 2024, our then Directors passed resolutions approving, among other things, the conversion of our Company into a joint stock company with limited liability under the laws of the PRC by way of promotion, and our then Shareholders were the promoters of our Company. In accordance with an auditor report of our Company issued by an independent accountant, as of July 31, 2024, the audited net asset value of our Company was RMB898,643,641.02, among which, RMB22,500,000 was converted into 22,500,000 Shares with a nominal value of RMB1.00 each and the remaining RMB876,143,641.02 was converted into capital reserve. On November 20, 2024, our promoters held meetings and approved the conversion of our Company into a joint stock company. Our Shares upon conversion were subscribed for by our then Shareholders in proportion to their respective equity interest in our Company immediately before the conversion. On December 9, 2024, the joint stock reform of our Company was completed.

Share Subdivision

Pursuant to the resolutions of our Shareholders dated September 16, 2025, each of our Share with nominal value of RMB1.00 will be subdivided into ten Shares with nominal value of RMB0.1 each immediately prior to the [**REDACTED**]. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB23,869,429, will be divided into 238,694,290 Shares of par value RMB0.1 each, which will be subscribed by all our then Shareholders in proportion to their respective equity interests in our Company immediately before the [**REDACTED**].

Voting Proxy Agreements

Each of Tibet Meiling and Hubei Meihua, Jiaxing Yuanshi and Shandong Zhengfang have entered into a Voting Proxy Agreement with Mr. Tuo, respectively, and have vested him to ultimately control the voting rights of the Shares held by them, representing, collectively, 9.88% of the total share capital of our Company as of the Latest Practicable Date. See "Relationship with Our Controlling Shareholders" for details.

OUR PRINCIPAL SUBSIDIARIES

The following entity was our subsidiary which made material contribution to our results of operations during the Track Record Period.

Name	Place of incorporation	Date of incorporation	Principal business activities
Rokae Shandong	PRC	December 7, 2016	R&D, manufacturing and sales of robotic products
Rokae Beijing	PRC	April 7, 2023	R&D and sales of robotic products
Rokae New Energy	PRC	August 22, 2024	R&D and sales of robotic products

MATERIAL ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any material acquisition, disposal or mergers.

[REDACTED] INVESTMENTS

Principal Terms of the [REDACTED] Investments

The table below summarizes the principal terms of the [**REDACTED**] investments:

Name of Pre-[REDACTED] Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/ acquired	Consideration[(2)]	Cost per Share paid[(3)]	Discount to the [REDACTED][(4)]
			(RMB)	*(RMB)*	*(RMB)*	*(%)*
Angel Investment						
Equity subscription						
Tibet Meiling	May 20, 2015	May 5, 2015	417,073	1.9 million	0.19	[REDACTED]
Series A1 Investment						
Equity subscription						
Ms. Tian Zheng (田爭)	April 20, 2016	May 17, 2016	33,938	0.4 million	0.48	[REDACTED]
Ms. Jiao Shaoling (焦少玲)	April 20, 2016	May 17, 2016	33,938	0.4 million	0.48	[REDACTED]
Series A2 Investment						
Equity subscription						
Tibet Fenglong Xinglian Investment Center (L.P.) (西藏豐隆興聯投資中心(有限合夥)) ("Fenglong Xinglian")	May 10, 2016	July 12, 2016	339,382	10.0 million	1.22	[REDACTED]
Series A+ Investment						
Equity subscription						
Qingkong Yinxing Nantong Venture Investment Fund Partnership (清控銀杏南通創業投資基金合夥企業(有限合夥) ("Qingkong Yingxing")	September 29, 2017	October 12, 2017	254,536	15.0 million	2.44	[REDACTED]
Series B Investment						
Equity subscription						
Suzhou Zhongxin Botong Jinshi Venture Investment Partnership (Limited Partnership) (蘇州中新博通金世創業投資合夥企業(有限合夥)) ("Zhongxin Botong")	July 10, 2018	September 3, 2018	16,874	2.4 million	5.88	[REDACTED]
Qingkong Yinxing	July 10, 2018	July 19, 2018	70,301	10.0 million	5.88	[REDACTED]
Hubei Meihua	July 10, 2018	July 20, 2018	70,301	10.0 million	5.88	[REDACTED]
Suzhou Jinsha River United III Equity Investment Partnership (Limited Partnership) ("Jinsha River III")	July 10, 2018	September 3, 2018	194,028	27.6 million	5.88	[REDACTED]
Achiever Ventures III (Hong Kong) Limited (Achiever Ventures III)[(5)]	July 10, 2018	January 16, 2019	703,005	100.0 million	5.88	[REDACTED]

Name of Pre-[REDACTED] Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/ acquired	Consideration[2]	Cost per Share paid[3]	Discount to the [REDACTED][4]
			(RMB)	*(RMB)*	*(RMB)*	*(%)*
Series C Investment						
Equity subscription						
Xiang He Fund II, L.P. ("XH Fund")	August 11, 2020	November 17, 2020	473,695	76.0 million	6.63	[REDACTED]
Gongqingcheng Suxiang Venture Investment Partnership (Limited Partnership) (共青城蘇襄創業投資合夥企業(有限合夥)) ("Suxiang Fund")	August 11, 2020	August 14, 2020	149,588	24.0 million	6.63	[REDACTED]
Equity transfers						
XH Fund	August 11, 2020	November 25, 2020	106,794[6]	12.2 million	4.70	[REDACTED]
Suxiang Fund	August 11, 2020	August 14, 2020	33,724[6]	3.8 million	4.70	[REDACTED]
Series C+ Investment						
Equity subscription						
Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) ("SCGC")	May 20, 2021	June 3, 2021	158,179	35.6 million	9.30	[REDACTED]
Beijing Yitang Hongtu Integrated Circuits and Internet Investment Fund Center (Limited Partnership) (北京屹唐紅土集成電路與互聯網投資基金中心(有限合夥)) ("Beijing Yitang")	May 20, 2021	June 10, 2021	41,895	9.4 million	9.30	[REDACTED]
Tianjin Yuanyi Yongxuan Enterprise Management Center (Limited Partnership) (天津遠翼永宣企業管理中心(有限合夥)) ("Yuanyi Yongxuan")	May 20, 2021	June 4, 2021	200,074	45.0 million	9.30	[REDACTED]
Equity transfers						
Tianjin Qihui Enterprise Management Center (Limited Partnership) (天津啟輝企業管理中心(有限合夥)) ("Tianjin Qihui")	April 20, 2021	June 10, 2021	20,880[7]	2.7 million	5.31	[REDACTED]
SCGC	April 20, 2021 and May 20, 2021	July 22, 2021 and November 16, 2021	40,248 and 88,317[7]	5.2 million and 15.9 million	5.31 and 7.44	[REDACTED] and [REDACTED]
Beijing Yitang	April 20, 2021 and May 20, 2021	September 29, 2021 and July 23, 2021	10,660 and 23,391[7]	1.4 million and 4.2 million	5.31 and 7.44	[REDACTED] and [REDACTED]
Yuanyi Yongxuan	April 20, 2021 and May 20, 2021	June 7, 2021, June 7, 2021 and June 7, 2021	30,027, 45,017 and 66,691[7]	3.9 million, 8.1 million and 12.0 million	5.31 and 7.44	[REDACTED] and [REDACTED]

Name of Pre-[REDACTED] Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/ acquired	Consideration[2]	Cost per Share paid[3]	Discount to the [REDACTED][4]
			(RMB)	*(RMB)*	*(RMB)*	*(%)*
Strategic Series Investment						
Equity subscription						
South Hope Industry Co., Ltd. (南方希望實業有限公司) ("South Hope")	December 31, 2021	March 17, 2022	686,393	277.4 million	16.71	[REDACTED]
Strategic + Series Investment						
Equity subscription						
Zoucheng New Energy Industrial Investment Fund Partnership (Limited Partnership) (鄒城市新動能產業投資基金合夥企業)(有限合夥)("Zoucheng New Energy")	May 22, 2023	July 10, 2023	238,504	100.0 million	17.33	[REDACTED]
National Manufacturing Transform and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司) ("National Manufacturing Transform and Upgrade Fund")	December 29, 2023	December 31, 2023	954,016	400.0 million	17.33	[REDACTED]
Shandong Zhengfang	December 27, 2024	December 27, 2024	490,385	85.0 million[9]	17.33	[REDACTED]
Equity transfer						
TR Victory Limited ("TR Victory")	April 11, 2023	October 17, 2023	324,838[8]	96.1 million	12.24	[REDACTED]
Pre-*[REDACTED] *Series Investment						
Equity subscription						
Pinghu Jinluo Equity Investment Partnership (Limited Partnership) (平湖金珞股權投資合夥企業(有限合夥)) ("Pinghu Jinluo")	June 27, 2025	June 30, 2025	879,044	195.0 million	22.18	[REDACTED]
Equity transfer						
Jining Zoulu Robotics Industrial Investment Partnership (Limited Partnership) (濟寧市鄒魯機器人產業投資合夥企業(有限合夥)) ("Zoulu Fund")	February 28, 2025 and June 26, 2025	April 21, 2025 and June 26, 2025	330,000 and 146,243[10]	34.4 million and 15.3 million	10.44	[REDACTED]
Huida Luxin Venture Investment Fund (Jining) Partnership (Limited Partnership) (惠達魯信創業投資基金(濟寧)合夥企業(有限合夥)) ("Huida Luxin")	May 12, 2025	May 21, 2025	287,380[11]	30.0 million	10.44	[REDACTED]
Jiaxing Yuanshi	April 17, 2025 and May 19, 2025	June 13, 2025 and September 17, 2025	526,863 and 162,849[12]	55.0 million and 17.0 million	10.44	[REDACTED]

Name of Pre-[REDACTED] Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/ acquired	Consideration[(2)]	Cost per Share paid[(3)]	Discount to the [REDACTED][(4)]
			(RMB)	*(RMB)*	*(RMB)*	*(%)*
Jiaxing Tianqi Zefeng Equity Investment Partnership (Limited Partnership) (嘉興天啟澤楓股權投資合夥企業(有限合夥)) ("Tianqi Zefeng")	May 23, 2025	June 17, 2025	246,326[(13)]	30.0 million	12.18	[REDACTED]
Quanzhou Shanyue Innovation Equity Investment Partnership (Limited Partnership) (泉州山月創新股權投資合夥企業(有限合夥)) ("Quanzhou Shanyue") . . .	July 22, 2025	July 25, 2025	142,449[(14)]	17.7 million	12.40	[REDACTED]
Yankuang Capital Management Co., Ltd. (兗礦資本管理有限公司) ("Yankuang Capital").	August 18, 2025	August 20, 2025	282,338[(15)]	35.0 million	12.40	[REDACTED]
Mr. Zhang Yong (張勇)	July 30, 2025	August 7, 2025	76,635[(16)]	10.0 million	13.05	[REDACTED]
Yixing Environmental Science Park Guangkong Industrial Investment Partnership (Limited Partnership) (宜興環科園光控產業投資合夥企業(有限合夥)) ("Yixing ESP") . .	August 14, 2025	August 22, 2025	410,543[(17)]	50.0 million	12.18	[REDACTED]

(1) The post-money valuation is calculated by dividing the total consideration of equity subscriptions under the relevant round of the [**REDACTED**] investment by the percentage of the new subscribed equity interest in the total registered capital of our Company at the relevant time. The pre-money valuation is calculated by excluding the total consideration of equity subscriptions from the post-money valuation under the relevant round of the [**REDACTED**] investment. The valuation of our Company has been increasing along with our rapid business development.

(2) The consideration for the [**REDACTED**] investments was determined based on arm's length negotiations between the Company and the [**REDACTED**] Investors, taking into account the timing of the investments and the status of our business and financial performance. Under certain transfers of equity interest between our investors, the relevant investors considered various factors, such as timing of the transaction, past or present relationships between the parties and their respective bargaining power in the negotiations when determining the consideration, in addition to the then valuation of our Company, and thus agreed on a discount to the then valuation.

(3) The cost per Share is calculated based on dividing the consideration by the number of Shares subscribed or acquired as adjusted by the enlarged registered share capital of our Company as a result of the joint stock reform and the Share Subdivision to be undertaken immediately prior to the [**REDACTED**].

(4) The discount to the [**REDACTED**] is calculated based on the assumption that the [**REDACTED**] is HK$[**REDACTED**] per H Share, and that the [**REDACTED**] is not exercised.

(5) On December 9, 2022, Achiever Ventures III completed the transfer of its entire interest in the registered share capital of our Company to Golden Growth III (Hong Kong) Limited (金色成長叁(香港)有限公司) ("Golden Growth III"), an affiliate of Achiever Ventures III, at a consideration of USD14.7 million.

(6) The equity interest was transferred from Tianjin Lifeng Enterprise Management Service Center (Limited Partnership) (天津利豐企業管理服務中心) (有限合夥) ("Tianjin Lifeng") and Xiamen Jinsheng Venture Investment Partnership (Limited Partnership) (廈門金生創業投資合夥企業) (有限合夥) ("Xiamen Jinsheng"). Upon the completion of such equity transfers, Tianjin Lifeng and Xiamen Jinsheng ceased to be our Shareholders.

(7) The equity interest was transferred from Ms. Zhang Xu (張旭). Upon the completion of such equity transfers, Ms. Zhang Xu ceased to be our Shareholder.

(8) The equity interest was transferred from Xiamen Guotong Lianzhi Venture Investment Partnership (Limited Partnership) (廈門國同聯智創業投資合夥企業(有限合夥)) ("Guotong Lianzhi") and Guotong Huizhi Venture Investment (Beijing) Co., Ltd. (國同匯智創業投資(北京)有限公司) ("Guotong Huizhi"). Upon the completion of such equity transfers, Guotong Lianzhi and Guotong Huizhi ceased to be our Shareholders.

(9) Shandong Zhengfang settled the consideration of such equity subscription by way of setting off debt in the amount of RMB85.0 million payable by our Company, which was appraised by an independent third-party valuation agency. Such debt was related to expenses in connection with the construction of our industrial park in Shandong, which had been advanced on behalf of our Company by the controlling shareholder of Shandong Zhengfang pursuant to a cooperation agreement dated December 2020.

(10) The equity interest was transferred from Fenglong Xinglian and Nanchang New Century Venture Investment Co., Ltd. (南昌新世紀創業投資有限責任公司) ("Nanchang New Century"). Upon the completion of such equity transfers, Nanchang New Century ceased to be our Shareholder.

(11) The equity interest was transferred from Shenzhen Delian Jingtai Investment Center (Limited Partnership) (深圳德聯景泰投資中心(有限合夥)) ("Delian Jingtai").

(12) The equity interest was transferred from Mr. Tuo, Ruluo Brothers LP and Golden Growth III.

(13) The equity interest was transferred from Fenglong Xinglian, Delian Jingtai and Ms. Tian Zheng (田爭). Upon the completion of such equity transfers, Delian Jingtai ceased to be our Shareholder.

(14) The equity interest was transferred from Hainan Heye Investment Co., Ltd. (海南和業投資有限公司) ("Hainan Heye").

(15) The equity interest was transferred from Hainan Heye. Upon the completion of such equity transfer, Hainan Heye ceased to be our Shareholder.

(16) The equity interest was transferred from Qingkong Yinxing.

(17) The equity interest was transferred from Qingkong Yinxing.

Use of Proceeds from the [REDACTED] Investments

The proceeds received by us from the [**REDACTED**] investments which involved subscriptions of increased registered capital of our Company amounted to approximately RMB1,463.2 million. As of the Latest Practicable Date, all of the proceeds from the [**REDACTED**] investments had been utilized for our general operation and working capital purposes.

Special Rights of Our [REDACTED] Investors

In connection with the [**REDACTED**] investments, our [**REDACTED**] Investors were granted certain special rights, including, among others, pre-emptive right, right of first refusal, right of co-sale, redemption right, information right, anti-dilution right, and special rights in liquidation pursuant to our current effective shareholders agreement and articles of association. In anticipation of the [**REDACTED**], our Shareholders entered into the special rights termination agreement dated September 17, 2025, pursuant to which, among others, (i) their redemption rights are terminated upon the submission of application for the [**REDACTED**] by us (the "Submission"), provided in the event where (a) the Submission is withdrawn or rejected, (b) the [**REDACTED**] is not consummated within 18 months of the Submission or within 12 months after completion of the CSRC Filing, or (c) any material impediment arises rendering our Company unable to satisfy the [**REDACTED**] conditions, such redemption rights shall immediately and automatically be reinstated, and (ii) all other special rights granted to our [**REDACTED**] Investors shall be terminated before the [**REDACTED**].

Compliance with the Guide

Based on the fact that (i) the consideration for the [**REDACTED**] investments was irrevocably settled more than 120 days before the [**REDACTED**], and (ii) the special rights granted to the [**REDACTED**] Investors shall be terminated in compliance with Chapter 4.2 of the Guide, the Joint Sponsors have confirmed that the [**REDACTED**] investments are in compliance with the Chapter 4.2 of the Guide.

Information regarding Our Principal [REDACTED] Investors

Set out below is a description of our principal [**REDACTED**] Investors (being our sophisticated institutional investors). To the best knowledge of our Directors, each of our principal [**REDACTED**] Investors is independent from and not connected with any Director, chief executive or substantial shareholder of our Company, or its subsidiaries, or any of their respective close associates, and has no historical or current relationship with our Group other than its respective [**REDACTED**] investment and the Voting Proxy Agreements with Mr. Tuo as disclosed in this document. Furthermore, each of such [**REDACTED**] Investors is independent from each other unless as disclosed otherwise.

Our Principal* [REDACTED] *Investors

National Manufacturing Transform and Upgrade Fund

National Manufacturing Transform and Upgrade Fund is a joint stock company with limited liability incorporated under the laws of the PRC with a primary focus to invest in high-end manufacturing sectors and an independent third party. No shareholders of National Manufacturing Transform and Upgrade Fund holds more than 30.00% equity interest therein. The largest shareholder of National Manufacturing Transform and Upgrade Fund is the Ministry of Finance of the PRC, holding approximately 15.29% of the equity interest in National Manufacturing Transform and Upgrade Fund. Other major shareholders of National Manufacturing Transform and Upgrade Fund include (1) China Development Bank Capital Co., Ltd. (國開金融有限責任有限公司), a company wholly owned by China Development Bank (國家開發銀行), holding 13.59% equity interest in National Manufacturing Transform and Upgrade Fund, (2) China National Tobacco Corporation (中國煙草總公司), a state-owned enterprise ultimately owed by the State Council of the PRC, holding 10.19% equity interest in National Manufacturing Transform and Upgrade Fund, and (3) China Insurance Investment Fund Phase II (Limited Partnership) (中國保險投資基金二期(有限合夥)), a limited partnership whose general partner is China Insurance Investment Co., Ltd. (中保投資有限責任公司), holding 10.19% equity interest in National Manufacturing Transform and Upgrade Fund. None of the other shareholders of National Manufacturing Transform and Upgrade Fund holds more than 10% equity interest in National Manufacturing Transform and Upgrade Fund.

South Hope

South Hope is a limited liability company incorporated under the laws of the PRC. South Hope is a subsidiary of New Hope Group Co., Ltd. (新希望集團有限公司) ("New Hope Group"), which is ultimately controlled by Mr. Liu Yonghao (劉永好), an independent third party.

XH Fund

XH Fund is an exempted limited partnership registered under the laws of Cayman Islands. The general partner of XH Fund is Xiang He Partners II, L.P., whose general partner is Xiang He II GP, LTD. Xiang He II GP, LTD is wholly owned by HT Holding US, LLC, which is ultimately wholly owned by Mr. Hesong Tang. None of the limited partners of XH Fund holds more than 30% partnership interest in XH Fund. Each of Mr. Hesong Tang and the limited partners of XH Fund is an independent third party.

XH Fund is managed by Empower Harvest Management Services, Inc. ("Empower Harvest") as its fund manager, which is a venture capital firm focusing on early-stage investments in technology sectors, including new-generation information technology and ultimately controlled by Mr. Hesong Tang.

SCGC Investors (SCGC and Beijing Yitang)

SCGC is a limited liability company incorporated in the PRC, originally co-founded by State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government (深圳市國有資產監督管理委員會), which still directly holds 28.20% equity interest in SCGC as its largest shareholder, with a group of private partners in 1999. SCGC is now a state-owned and independently-managed venture capital investment institution with a primary focus to invest in innovative high-tech companies in the emerging industries in their start-up, growth or [**REDACTED**] stage, including but not limited to investments in IT, new media, healthcare, new energy, environment protection, chemical engineering, new material, advanced manufacturing consumer goods. No shareholders of SCGC holds more than 30.00% equity interest therein. Other major shareholders of SCGC include (1) Shenzhen Galaxy Real Estate Development Co., Ltd. (深圳市星河房地產開發有限公司), a company ultimately controlled by Mr. Huang Chulong (黃楚龍), an independent third party businessman, holding 20.00% equity interest in SCGC, (2) Shenzhen Capital Holdings Co., Ltd. (深圳市資本運營集團有限公司), which is wholly owned by the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government and holds 12.79% equity interest in SCGC, and (3) Shanghai Dazhong Public Utilities (Group) Co., Ltd. (上海大眾公用事業(集團)股份有限公司), a company listed on the Stock Exchange (stock code: 1635) and the Shanghai Stock Exchange (stock code: 600635), holding 10.80% equity interest in SCGC. Save as disclosed above, SCGC has no other shareholder which individually holds more than 10% equity interest in SCGC.

Beijing Yitang is an equity investment fund established in the form of limited partnership under the laws of the PRC whose general partner is Beijing Hongtu Yitang Equity Investment Management Center (Limited Partnership) (北京紅土屹唐股權投資管理中心(有限合夥)) ("Beijing Hongtu"). The general partner of Beijing Hongtu is Shenzhen Innovation Investment Management Consulting (Beijing) Co., Ltd. (深創新投資管理顧問(北京)有限公司), a limited liability company indirectly wholly owned by SCGC. None of the four limited partners of Beijing Yitang holds more than 30% partnership interests in Beijing Yitang. Each of the limited partners of Beijing Yitang is an independent third party.

Qingkong Yinxing

Qingkong Yinxing is an equity investment fund established in the form of limited partnership under the laws of the PRC with a primary focus to invest in technology sectors including new generation information technology, advanced manufacturing, and science and technology services. The general partner of Qingkong Yinxing is Qingkong Yinxing Venture Investment Management (Beijing) Co., Ltd. (清控銀杏創業投資管理(北京)有限公司) ("Qingkong Beijing"), which is ultimately controlled by Mr. Lv Dalong (吕大龍), an independent third party. Qingkong Yinxing has six limited partners, where the largest limited partner is Qingkong Yinxing Investment Center (Nantong Limited Partnership) (清控銀杏投資中心(南通有限合夥)), which is managed and controlled by Qingkong Beijing as its general partner, holding 51.11% partnership interest in Qingkong Yinxing. All of the other five limited partners are independent third parties and none of these limited partners holds more than 30% partnership interest in Qingkong Yinxing.

GSR United Capital (Jinsha River III, Zhongxin Botong, Pinghu Jinluo, Jiaxing Yuanshi)

Jinsha River III is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Jinsha River III is Hengqin Zijin Daohe Investment Management Partnership Enterprise (Limited Partnership) (橫琴紫金道合投資管理合夥企業 (有限合夥)) ("Hengqin Zijin"). The general partner of Hengqin Zijin is Suzhou GSL Venture Capital Management Co., Ltd. (蘇州金沙湖創業投資管理有限公司) ("Suzhou GSL"), a company ultimately controlled by Mr. Pan Xiaofeng (潘曉峰), an independent third party. The largest limited partner of Jinsha River III is Hengqin Jinsha River United III Investment Management Partnership (Limited Partnership) (橫琴金沙江聯合三期投資管理合夥企業(有限合夥)), holding 36.90% partnership interest in Jinsha River III. None of the other nine limited partners of Jinsha River III holds more than 30% partnership interests in Jinsha River III. Each of the limited partners of Jinsha River III is an independent third party.

Zhongxin Botong is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Zhongxin Botong is Hengqin Zijin. The largest limited partner of Zhongxin Botong is Bosch (Shanghai) Venture Capital Co., Ltd. (博世(上海)創業投資有限公司), a subsidiary of Robert Bosch GmbH holding 56.37% partnership interest in Zhongxin Botong. None of the other two limited partners of Zhongxin Botong holds more than 30% partnership interests in Zhongxin Botong. Each of the limited partners of Zhongxin Botong is an independent third party.

Pinghu Jinluo is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Pinghu Jinluo is Shenzhen GSR United Huahao Angel Private Equity Venture Capital Fund Management Co., Ltd. (深圳金沙江聯合華皓天使私募創業投資基金管理有限公司) ("Shenzhen GSR"), a company ultimately controlled by Mr. Pan Xiaofeng, an independent third party. The largest limited partner of Pinghu Jinluo is Pinghu Jingang Equity Investment Fund Partnership (Limited Partnership) (平湖金港股權投資基金合夥企業(有限合夥)), holding 43.60% partnership interest in Pinghu Jinluo. None of the other three limited partners of Pinghu Jinluo holds more than 30% partnership interests in Pinghu Jinluo. Each of the limited partners of Pinghu Jinluo is an independent third party.

Jiaxing Yuanshi is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Jiaxing Yuanshi is Shenzhen GSR. The largest limited partner of Jiaxing Yuanshi is Jiaxing Anxu Equity Investment Partnership (Limited Partnership) (嘉興安旭股權投資合夥企業(有限合夥)), ("Jiaxing Anxu") holding 54.85% partnership interest in Jiaxing Yuanshi. Jiaxing

Anxu is ultimately controlled by Suzhou GSL. None of the other six limited partners of Jiaxing Yuanshi holds more than 30% partnership interests in Jiaxing Yuanshi. Each of the limited partners of Jiaxing Yuanshi is an independent third party.

Zoucheng New Energy

Zoucheng New Energy is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Zoucheng New Energy is Shandong Sinye Capital Management Co., Ltd. (山東新業股權投資管理有限公司), a company ultimately controlled by Mr. Li Jiankun (李建坤), an independent third party. The largest limited partner of Zoucheng New Energy is Shandong Zhengfang, holding 75.79% partnership interest in Zoucheng New Energy. None of the other four limited partners of Zoucheng New Energy holds more than 30% partnership interests in Zoucheng New Energy. Except Shandong Zhengfang, each of the limited partners of Zoucheng New Energy is an independent third party.

Shandong Zhengfang

Shandong Zhengfang is a limited liability company established under the laws of the PRC, and is owned by Shandong Zhengfang Holdings Group Co., Ltd. (山東正方控股集團有限公司) ("Zhengfang Holdings") and Zoucheng Caijin Holdings Group Co., Ltd. (鄒城市財金控股集團有限公司) as to 51.00% and 49.00% equity interest, respectively. Zhengfang Holdings is controlled by Zoucheng Municipal Finance Bureau (鄒城市財政局) as to 76.51%.

Zoulu Fund

Zoulu Fund is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Zoulu Fund is Shandong Sci-Innovation Investment Co., Ltd. (山東科創投資有限公司), a company ultimately controlled by Jining Municipal Finance Bureau (濟寧市財政局). The largest limited partner of Zoulu Fund is Jining State Owned Assets Investment Holding Co., Ltd. (濟寧市國有資產投資控股有限公司) ("Jining SOA"), holding 47.00% partnership interest in Zoulu Fund. Jining SOA is wholly owned by Jining Municipal Finance Bureau (濟寧市財政局). None of the other two limited partners of Zoulu Fund holds more than 30% partnership interests in Zoulu Fund. Except for Zhengfang Holdings, each of the limited partners of Zoulu Fund is an independent third party.

Huida Luxin

Huida Luxin is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Huida Luxin is Shandong Hongcheng Venture Capital Co., Ltd. (山東泓澄創業投資有限公司), a company ultimately controlled by Shandong Provincial Finance Department (山東省財政廳). The two largest limited partners of Huida Luxin are Shandong High Tech Investment Co., Ltd. (山東省高新技術創業投資有限公司) ("Shandong High Tech Investment") and Jining SOA, holding 49.00% and 43.96% partnership interest in Huida Luxin respectively. Shandong High Tech Investment is ultimately controlled by Shandong Provincial Finance Department (山東省財政廳). None of the other three limited partners of Huida Luxin holds more than 30% partnership interests in Huida Luxin. Each of the limited partners of Huida Luxin is an independent third party.

Golden Growth III

Golden Growth III is a private company established under the laws of the Hong Kong and is a wholly owned subsidiary of Shunwei China Internet Opportunity Fund III, L.P. ("SCIOF III"). SCIOF III is controlled by Shunwei Capital Partners IV GP, L.P. ("SCIOF III GP") as its general partner, and has more than 50 limited partners, none of which holds more than 30% partnership interest therein. SCIOF III GP is controlled by Shunwei Capital Partners IV GP Limited as its general partner. Silver Unicorn Ventures Limited holds more than 50% of the issued and outstanding shares in Shunwei Capital Partners IV GP Limited and Mr. Koh Tuck Lye, an independent third party, is the sole shareholder of Silver Unicorn Ventures Limited.

Tibet Meiling and Hubei Meihua (Plum Ventures)

Tibet Meiling is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Tibet Meiling is Ningbo Meihua Angle Investment Management Co., Ltd. (寧波梅花天使投資管理有限公司), a company ultimately controlled by Mr. Wu Shichun (吳世春), an independent third party. The largest limited partner of Tibet Meiling is Ms. Deng Xueyan (鄧雪艷), holding 34.19% partnership interest in Tibet Meiling. None of the other 16 limited partners of Tibet Meiling holds more than 30% partnership interests in Tibet Meiling. Each of the limited partners of Tibet Meiling is an independent third party.

Hubei Meihua is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Hubei Meihua is Hubei Meihua Angel Equity Investment Partnership Enterprise (Limited Partnership) (湖北梅花天使股權投資合夥企業(有限合夥)), a limited partnership whose general partner is Mr. Wu Shichun. The largest limited partner of Hubei Meihua is Zhuhai Gopher Yunshu Equity Investment Fund (Limited Partnership) (珠海歌斐雲舒股權投資基金(有限合夥)), ("Gopher Yunshu") holding 39.22% partnership interest in Hubei Meihua. Gopher Yunshu is controlled by its general partner Wuhu Gopher Assets Management Co., Ltd. (蕪湖歌斐資產管理有限公司), a subsidiary of Noah Holdings, a company whose shares are listed on the Stock Exchange (6686.HK), an independent third party. None of the 16 limited partners of Hubei Meihua holds more than 30% partnership interests in Hubei Meihua. Each of the limited partners of Hubei Meihua is an independent third party.

Yuanyi Yongxuan

Yuanyi Yongxuan is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Yuanyi Yongxuan is Tianjin Yuanyi Hongyang Asset Management Co., Ltd. (天津遠翼弘揚資產管理有限公司), a company ultimately controlled by Far East Horizon Limited, a company whose shares are listed on the Stock Exchange (stock code: 3360.HK). The limited partners of Yuanyi Yongxuan include: (1) Nanjing Xiangye Equity Investment Partnership Enterprise (Limited Partnership) (南京襄鄴股權投資合夥企業(有限合夥)) ("Nanjing Xiangye"), holding 65.60% partnership interest in Yuanyi Yongxuan, and (2) Shanghai Xiangfu Equity Investment Fund Center (Limited Partnership) (上海襄富股權投資基金中心(有限合夥)) ("Shanghai Xiangfu"), holding 34.40% partnership interest in Yuanyi Yongxuan. Both of Nanjing Xiangye and Shanghai Xiangfu are private equity funds managed by Grand Flight Investment Management Co., Ltd. (遠翼投資管理有限公司) ("Grand Flight Investment"), and Grand Flight Investment is ultimately controlled by Far East Horizon Limited.

TR Victory

TR Victory is a limited company incorporated in Hong Kong, which is wholly owned by fund vehicles in respect of which TR Advisors Limited ("TR Capital") acts as investment sub-advisor. The ultimate beneficial owner of TR Capital, and the general partners to such vehicles, is Mr. Paul Robine. Founded in 2007, TR Capital is a leading pan-Asian secondary private equity firm with six offices across the region. TR Capital provides liquidity solutions to private equity investors through direct and GP-led secondary transactions, focusing on high-quality companies and portfolios. TR Capital has invested in innovative leaders across Technology, Next-Generation Consumer, and Healthcare. With a hands-on secondary investment approach, the firm partners closely with general partners and portfolio companies to create value and deliver shorter-duration, risk-adjusted returns for its investors.

Yankuang Capital Investors (Yankuang Capital and Quanzhou Shanyue)

Yankuang Capital is a limited liability company established under the laws of the PRC, and is ultimately controlled by State-owned Assets Supervision and Administration Commission of the People's Government of Shandong Province (山東省人民政府國有資產監督管理委員會).

Quanzhou Shanyue is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partners of Quanzhou Shanyue are Shanghai Yankuang Asset Management Co., Ltd. (上海兗礦資產管理有限公司) ("Shanghai Yankuang") and Quanzhou Fengquan Private Equity Fund Management Co., Ltd. (泉州風泉私募基金管理有限公司) ("Quanzhou Fengquan"). Shanghai Yankuang is a wholly owned subsidiary of Yankuang Capital. Quanzhou Fengquan is owned by Quanzhou Haisi Water Investment Co., Ltd. (泉州海絲水務投資有限責任公司) ("Quanzhou Haisi") and

Yuanfeng (Xiamen) Investment Partnership Enterprise (Limited Partnership) (圓灃(廈門)投資合夥企業(有限合夥)) ("Yuanfeng Investment") as to 50.00% and 50.00%, respectively. Quanzhou Haisi is a company ultimately controlled by State-owned Assets Supervision and Administration Commission of Quanzhou Municipal People's Government (泉州市人民政府國有資產監督管理委員會). Yuanfeng Investment is a limited partnership whose general partner is Mr. Wang Jun (汪軍), an independent third party. The limited partners of Quanzhou Shanyue are Quanzhou Xingshui Water Industry Investment Partnership Enterprise (Limited Partnership) (泉州興水水務產業投資合夥企業(有限合夥)) ("Quanzhou Xingshui") and Yankuang Capital, each of which holds 49.38% partnership interest in Quanzhou Shanyue. Quanzhou Xingshui is a limited partnership whose general partner is Quanzhou Fengquan. Each of the limited partners of Quanzhou Shanyue is an independent third party.

Suxiang Fund

Suxiang Fund is an equity investment fund established under the laws of the PRC. The general partner of Suxiang Fund is Xianghe Business Consulting (Beijing) Co., Ltd. (襄禾商務諮詢(北京)有限公司), which is owned as to 90.00% by Ningbo Meishan Bonded Port Area Xiangyuan Private Fund Management Co., Ltd. (寧波梅山保税港區襄源私募基金管理有限公司), which is in turn owned as to 51.00% by Ms. Yang Liu (楊柳), our former Director. Suxiang Fund has 23 limited partners, each of which is an independent third party holding less than 30% partnership interest in Suxiang Fund.

Yixing ESP

Yixing ESP is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Yixing ESP is Yixing Environmental Science Park Guangkong Jiayuan Investment Partnership Enterprise (Limited Partnership) (宜興環科園光控嘉源投資合夥企業(有限合夥)), whose general partner is Yixing Guangkong Jiaxin Investment Co., Ltd. (宜興光控嘉鑫投資有限公司) ("Guangkong Jiaxin"). Guangkong Jiaxin is ultimately controlled by China Everbright Limited, a company whose shares are listed on the Stock Exchange (stock code: 165.HK). The two largest limited partners of Yixing ESP are Yixing New Energy Industry Fund Partnership Enterprise (Limited Partnership) (宜興新動能產業基金合夥企業(有限合夥)) ("Yixing New Energy") and Yixing Environmental Science Park Industrial Development Equity Investment Partnership Enterprise (Limited Partnership) (宜興環科園產發股權投資合夥企業(有限合夥)) ("Yixing Equity Investment"), each of which holds 37.50% partnership interest in Yixing ESP, respectively. Yixing New Energy is a limited partnership whose general partners are Yixing Yicai Private Equity Fund Management Co., Ltd. (宜興市宜財私募基金管理有限公司) and Yixing Xingyi Technology Talent Investment Service Co., Ltd. (宜興市興宜科技人才招商服務有限公司), both of which are ultimately controlled by State-owned Assets Supervision and Administration Office of Yixing Municipal People's Government (宜興市人民政府國有資產監督管理辦公室). Yixing Equity Investment is a limited partnership whose general partner is Yixing JIE investment management Co, Ltd. (宜興傑宜私募基金管理有限公司), which is ultimately controlled by Yixing Environmental Protection Equipment Innovation Research Institute (宜興環保裝備創新研究院). The remaining one limited partner of Yixing ESP holds less than 30% partnership interests in Yixing ESP. Each of the limited partners of Yixing ESP is an independent third party.

Fenglong Xinglian

Fenglong Xinglian is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Fenglong Xinglian is Dazi Delian Investment & Management Co., Ltd. (達孜德聯投資管理有限公司), a company ultimately controlled by Ms. Jia Jing (賈靜), an independent third party. The largest limited partner of Fenglong Xinglian is Shouguang Yitongming Enterprise Management Consulting Partnership (Limited Partnership) (壽光市益通明企業管理諮詢合夥企業(有限合夥)), ("Shouguang Yitongming") holding 46.67% partnership interests in Fenglong Xinglian. Shouguang Yitongming is controlled by its general partner, Liu Jianjie (劉建傑), an independent third party. None of the other 11 limited partners of Fenglong Xinglian holds more than 30% partnership interests in Fenglong Xinglian. Each of the limited partners of Fenglong Xinglian is an independent third party.

Tianqi Zefeng

Tianqi Zefeng is an equity investment fund established in the form of limited partnership under the laws of the PRC. The general partner of Tianqi Zefeng is Jiaxing Tianqi Private Equity Fund Management Co., Ltd. (嘉興天啟私募基金管理有限公司), a company controlled by Mr. Wang Jingyuan (王靜遠), an independent third party, as to 84.00%. The largest limited partner of Tianqi Zefeng is Luzhou Puxin Equity Investment Fund Partnership (Limited Partnership) (瀘州璞信股權投資基金合夥企業(有限合夥)), which is ultimately controlled by State-owned Assets Supervision and Administration Office of Luzhou Municipal People's Government (瀘州市人民政府國有資產監督管理委員會), holding 88.89% partnership interest in Tianqi Zefeng. None of the other two limited partners of Tianqi Zefeng holds more than 30% partnership interests in Tianqi Zefeng. Each of the limited partners of Tianqi Zefeng is an independent third party.

Tianjin Qihui

Tianjin Qihui is a limited partnership established under the laws of the PRC, primarily engaged in corporate management and financial consulting services. The general partner of Tianjin Qihui is Shanghai Zhouji Tongwu Asset Management Co., Ltd. (上海周濟同武資產管理有限公司), which is owned by Ms. Wang Ying (王穎), Mr. Hu Bo (胡波), Mr. Zheng Xinzhe (鄭新喆) and Mr. Wei Jianmin (魏劍敏) as to 25.00%, 25.00%, 25.00% and 25.00%, respectively, each of whom is an independent third party. The limited partners of Tianjin Qihui include Mr. Wang Quanshun (王全順) and Mr. Pei Yun (裴耘), holding 73.80% and 25.83% of the partnership interest in Tianjin Qihui, respectively, each of whom is an independent third party.

PRC Legal Advisor's Confirmation

As advised by our PRC Legal Advisor, the equity transfers and increases in the registered capital in respect of our Company and our Company's principal subsidiary, as described above have been completed and settled, and all the necessary regulatory approvals, registrations or filings have been granted in accordance with PRC laws and regulations.

A SHARE LISTING ATTEMPT

In December 2024, we made a preliminary filing (上市輔導備案) with the Shandong Regulatory Bureau of CSRC (中國證券監督管理委員會山東監管局) in relation to a tutoring agreement with Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司) in connection with an A shares listing (the "Proposed A Share Listing"), pursuant to which Guotai Haitong Securities Co., Ltd. agreed to act as the tutoring institution of our Company to provide guidance and preliminary compliance advice on the requirements of the CSRC and the Shanghai Stock Exchange. Since the execution of the tutoring agreement and up to the Latest Practicable Date, (i) our Company did not receive any comments or inquiries from the CSRC or the Shanghai Stock Exchange in connection with the Proposed A Share Listing, and (ii) our Company had not submitted any formal listing application for the Proposed A Share Listing.

To further expand our business and considering that the Stock Exchange would provide us with an international platform to enhance our capital access, attract diverse overseas investors and broaden our shareholder base, we voluntarily decided to pursue a [**REDACTED**] in Hong Kong. We voluntarily decided to terminate the Proposed A Share Listing in August 2025 and formally submitted the cessation notification to the CSRC on September 30, 2025. As of the Latest Practicable Date, we had not submitted any formal application to any recognized stock exchange in the PRC for an A shares listing.

To the best of their knowledge and belief, our Directors are not aware of any other matters relating to the Proposed A Share Listing that which may materially and adversely affect the Company's suitability for [**REDACTED**] and need to be brought to the attention of the Stock Exchange or the Shareholders, which is concurred by the Joint Sponsors, and there were no disagreements between the Group and then professional parties.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, within the 12 months following the [**REDACTED**], all existing Shareholders (including our [**REDACTED**] Investors and our Employee Share Ownership Platforms) are prohibited from disposing of any of the Shares held by them.

PUBLIC FLOAT

Pursuant to Rule 19A.13A(1) of the Listing Rules, assuming that the [**REDACTED**] is not exercised, based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], our expected [**REDACTED**] upon the [**REDACTED**] is approximately HK$[**REDACTED**] billion, and the minimum prescribed public float percentage applicable to our Shares is [**REDACTED**]% under 19A.13A(1) of the Listing Rules.

Our Company has applied for H Share full circulation to convert an aggregate of 226,759,580 Unlisted Shares (after the Share Subdivision) held by our existing Shareholders, representing [**REDACTED**]% of the total issued Shares of our Company as of the Latest Practicable Date.

Among the [**REDACTED**] H Shares (after the Share Subdivision) to be converted from Unlisted Shares and listed on the Stock Exchange, following the Completion of the Share Subdivision, the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares:

(a) [**REDACTED**] H Shares (after the Share Subdivision) representing approximately [**REDACTED**]% of our total issued Shares upon the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised)) will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules upon the [**REDACTED**] as such H Shares are controlled by Mr. Tuo;

(b) the remaining [**REDACTED**] H Shares (representing approximately [**REDACTED**]% of our total issued Shares upon the [**REDACTED**] (assuming the [**REDACTED**] is not exercised)) will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the [**REDACTED**] as such Shares are held or controlled by Shareholders that are not core connected persons of our Company upon the [**REDACTED**] nor accustomed to take instructions from our Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company's core connected persons.

Therefore, our Company will be able to meet the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules.

See "Share Capital—Conversion of Unlisted Shares into H Shares" for more details of the H Shares to be converted from Unlisted Shares and [**REDACTED**] on the Stock Exchange following the completion of the Share Subdivision, the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares.

[**REDACTED**] FLOAT

[**REDACTED**]

Our Company will be able to satisfy the [**REDACTED**] float requirements under Rule [**REDACTED**] of the Listing Rules.

EMPLOYEE SHARE OWNERSHIP PLATFORMS

In recognition of the contributions of our key employees and to incentivize them to further promote our development, in July 2017 and December 2018, Ruluo Brothers LP and Luoshi Brothers LP were established, respectively, as our Employee Share Ownership Platforms. The sole general partner of each of such platforms is Mr. Tuo. Through such platforms, we have awarded their respective partnership interest to the eligible participants.

All management and voting powers of the share ownership platforms are exercised by their general partner, Mr. Tuo, according to the respective partnership agreements, whereas the relevant employees as the limited partners of such share ownership platforms are entitled to the economic interest.

Luoshi Brothers LP

Luoshi Brothers LP was established as a limited partnership under the laws of the PRC on December 28, 2018. As of the Latest Practicable Date, Luoshi Brothers LP held approximately 8.48% of our total issued Shares, and its partnership structure was as follows:

Name	Position	Capacity of partnership interests in Luoshi Brothers LP	Approximate percentage of partnership interests in the limited partnership
Mr. Tuo	Founder, executive Director, chairman of the Board, general manager and core R&D team member	General partner	87.53%
Mr. Yang Xingan (楊興安)	General manager of Rokae (Shenzhen) Robotics Intelligent Technology Co., Ltd. (珞石(深圳)智能科技有限公司)	Limited partner	1.72%
Mr. Shi Yongjun (石勇軍)	Supervisor of Rokae (Shenzhen) Robotics Intelligent Technology Co., Ltd. (珞石(深圳)智能科技有限公司)	Limited partner	0.23%
Ms. Chen Lianying (陳連英)	Supervisor of Rokae Shandong	Limited partner	0.17%
43 other persons[(1)]	Employees who are not connected persons or senior management of our Company	Limited partners	10.35%

Note

(1) None of the other 43 limited partners of Luoshi Brothers LP holds more than 5% partnership interests in Luoshi Brothers LP.

Ruluo Brothers LP

Ruluo Brothers LP was established as a limited partnership under the laws of the PRC on July 10, 2017. As of the Latest Practicable Date, Ruluo Brothers LP held approximately 6.96% of our total issued Shares, and its partnership structure was as follows:

Name	Position	Capacity of partnership interests in Ruluo Brothers LP	Approximate percentage of partnership interests in the limited partnership
Mr. Tuo	Founder, executive Director, chairman of the Board, general manager and core R&D team member	General partner	15.91%
Mr. Tang Shengtian (唐聖添)	Executive Director, chief financial officer, board secretary and joint company secretary	Limited partner	18.00%
Dr. Wang Hao (王皓)	Executive Director and deputy general manager	Limited partner	9.16%
Mr. Yu Wenjin (于文進)	Deputy general manager	Limited partner	8.56%
Mr. Song Bin (宋斌)	Executive Director	Limited partner	9.56%
Mr. Zhang Lei (張雷)	Executive Director	Limited partner	4.94%
Mr. Chen Chao (陳超)	Director of Rokae (Zhejiang) Robotics Intelligent Technology Co., Ltd. (珞石(浙江)機器人智能科技有限公司)	Limited partner	3.96%
Mr. Nie Kouzhun (聶寇准)	Deputy general manager	Limited partner	3.21%
Mr. Liu Yang (劉洋)	Director of Rokae Wuhan	Limited partner	2.75%
Mr. Wang Shaofei (王少飛)	Deputy general manager	Limited partner	2.21%
40 other persons[(1)]	Employees who are not connected persons or senior management of our Company	Limited partners	21.74%

(1) None of the other 40 limited partners of Ruluo Brothers LP holds more than 5% partnership interests in Ruluo Brothers LP.

CAPITALIZATION OF OUR COMPANY

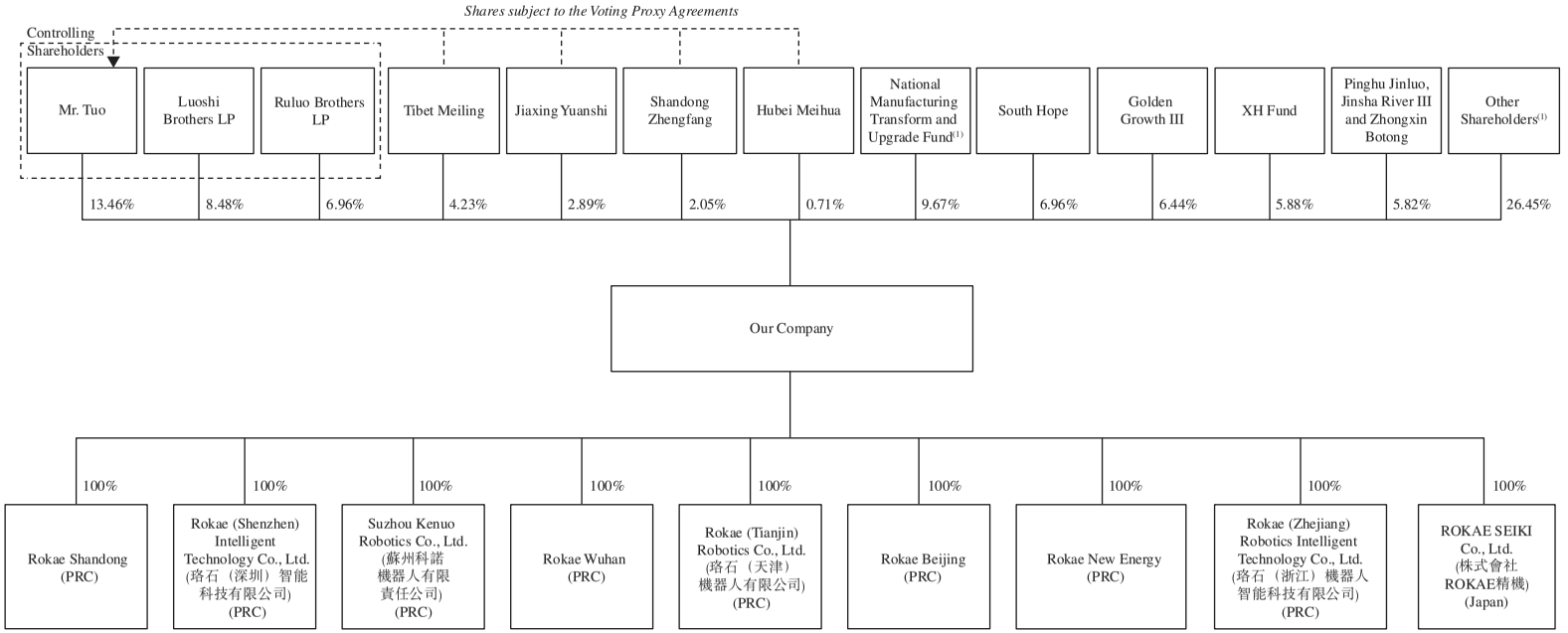
The following table sets forth our shareholding structure as of the Latest Practicable Date and immediately upon the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):

Name of Shareholder	Number of Shares as of the Latest Practicable Date	Ownership percentage as of the Latest Practicable Date	Number of Shares upon the [REDACTED] taking into account the Share Subdivision[(1)]	Ownership percentage upon the [REDACTED] assuming no exercise of the [REDACTED]
The Group of Controlling Shareholders				
Mr. Tuo	3,212,011	13.46%	32,120,110[(1)]	[REDACTED]%
Luoshi Brothers LP	2,024,956	8.48%	20,249,560	[REDACTED]%
Ruluo Brothers LP	1,661,276	6.96%	16,612,760	[REDACTED]%
Investors to Voting Proxy Agreements				
Plum Ventures:				
– Tibet Meiling	1,008,868	4.23%	10,088,680	[REDACTED]%
– Hubei Meihua	170,053	0.71%	1,700,530	[REDACTED]%
GSR United Capital:				
– Jiaxing Yuanshi	689,712	2.89%	6,897,120	[REDACTED]%
Shandong Zhengfang	490,385	2.05%	4,903,850	[REDACTED]%
Other Shareholders				
National Manufacturing Transform and Upgrade Fund	2,307,692	9.67%	23,076,920	[REDACTED]%
GSR United Capital:				
– Pinghu Jinluo	879,044	3.68%	8,790,440	[REDACTED]%
– Jinsha River III	469,339	1.97%	4,693,390	[REDACTED]%
– Zhongxin Botong	40,817	0.17%	408,170	[REDACTED]%
South Hope	1,660,333	6.96%	16,603,330	[REDACTED]%
Golden Growth III	1,537,667	6.44%	15,376,670	[REDACTED]%
XH Fund	1,404,159	5.88%	14,041,590	[REDACTED]%
SCGC Investors:				
– SCGC	693,612	2.91%	6,936,120	[REDACTED]%
– Beijing Yitang	183,708	0.77%	1,837,080	[REDACTED]%
Yuanyi Yongxuan	826,810	3.46%	8,268,100	[REDACTED]%
TR Victory	785,758	3.29%	7,857,580	[REDACTED]%
Zoucheng New Energy	576,923	2.42%	5,769,230	[REDACTED]%
Shandong State-owned Investors (other than Shandong Zhengfang)				
– Zoulu Fund	476,243	2.00%	4,762,430	[REDACTED]%
– Huida Luxin	287,380	1.20%	2,873,800	[REDACTED]%
– Yankuang Capital	282,338	1.18%	2,823,380	[REDACTED]%
– Quanzhou Shanyue	142,449	0.60%	1,424,490	[REDACTED]%
Suxiang Fund	443,418	1.86%	4,434,180	[REDACTED]%
Yixing ESP	410,543	1.72%	4,105,430	[REDACTED]%
Fenglong Xinglian	408,750	1.71%	4,087,500	[REDACTED]%
Qingkong Yinxing	298,578	1.25%	2,985,780	[REDACTED]%
Tianqi Zefeng	246,326	1.03%	2,463,260	[REDACTED]%
Ms. Jiao Shaoling (焦少玲)	82,093	0.34%	820,930	[REDACTED]%
Mr. Zhang Yong (張勇)	76,635	0.32%	766,350	[REDACTED]%
Tianjin Qihui	50,507	0.21%	505,070	[REDACTED]%
Ms. Tian Zheng (田爭)	41,046	0.17%	410,460	[REDACTED]%
[**REDACTED**] Shareholders	–	–	[REDACTED]	[REDACTED]%
Total	**23,869,429**	**100.00%**	[REDACTED]	**100.00%**

(1) Among all the existing Shares of our Company as of the Latest Practicable Date, [**REDACTED**] Unlisted Shares held by Mr. Tuo will not be converted into the H Shares.

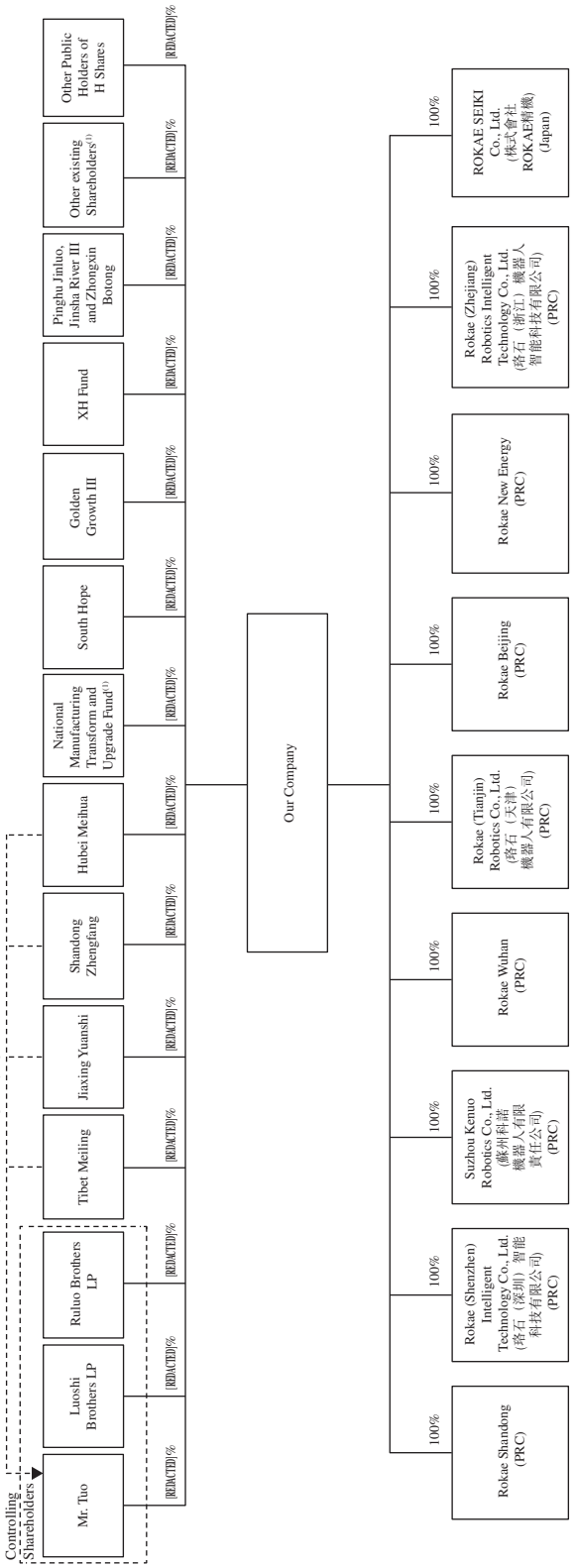
CORPORATE STRUCTURE

The following chart sets forth our corporate structure immediately prior to the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares:



(1) All these Shareholders are independent third parties and held less than 5% of our total issued share capital as of the Latest Practicable Date. See "—Capitalization of Our Company" for details of the shareholding structure of our Company and "[**REDACTED**] Investment" for details of our principal [**REDACTED**] Investors.

The following chart sets forth our corporate structure immediately after the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, without taking into account any H Shares which may be issued upon the exercise of the [**REDACTED**]:



(1) All these Shareholders are independent third parties and held less than 5% of our total issued share capital as of the Latest Practicable Date. See "—Capitalization of Our Company" for details of the shareholding structure of our Company and "[**REDACTED**] Investment" for details of our [**REDACTED**] Investors.

OVERVIEW

We primarily manufacture and sell robotic products, and, to a lesser extent, provide related robotic solutions in Chinese Mainland and overseas markets, dedicated to the design, development, manufacturing and commercialization of our offerings. Leveraging our proprietary technology platform, we have cultivated a dynamic robotic application portfolio, comprising industrial robots, flexible collaborative robots, embodied intelligent robots, and related robotic solutions characterized by performance, agility, intelligence, safety and robustness.

We provide a broad portfolio of intelligent robots and robotic solutions. Our industrial robots are engineered for manufacturing applications requiring significant speed, precision, and operational reliability. For processes necessitating seamless human-robot collaboration, our collaborative robots enable flexible manufacturing and intricate operations such as precision assembly and welding. Our embodied intelligent robots are the industry's first to achieve large-scale commercial deployment in the consumer electronics sector, according to the CIC Report, performing tasks including assembly operations, material handling and unmanned retail. Beyond traditional manufacturing, our collaborative and embodied intelligent robots are deployed across diverse high-growth sectors, including commercial services and healthcare. Leveraging our broad product portfolio, proprietary technology platform, and expansive service network, we deliver robots and robotic solutions to over 1,000 customers from diverse industry sectors across over 40 countries and regions.

We are one of the earliest domestic companies in China capable of producing both industrial and collaborative robots at an annual production exceeding 1,000 units, reflecting an industry trend toward integrated manufacturing automation, according to the CIC Report. Although our business scale is relatively modest, this early capability was enabled by our proprietary robot technology platform and strategic R&D focus on concurrent development of both product lines from the outset. In terms of revenue in 2025, we ranked No. 6 among domestic robot providers in China's industrial robot market with a market share of 0.9%, and No. 6 in China's collaborative robot market with a market share of 4.8%, according to the CIC Report. We are also the only provider of flexible collaborative robots at an annual production exceeding 1,000 units among the top six collaborative robot providers in China. We are also one of the top five providers in China's embodied intelligent robotic arm market with a market share of 6.3%, according to the same source.

Our Market Opportunity

Driven by the accelerating population aging, rising labor costs, expanding downstream application scenarios, and growing policy support, China's industrial robot industry has continued to grow and is expected to reach RMB37.3 billion in 2030, at a CAGR of 9.3% from 2025 to 2030, according to the CIC Report. Within this industry, China's vertical articulated robot market is expected to reach RMB29.9 billion in 2030, at a CAGR of 8.9% from 2025 to 2030, and China's collaborative robot market is expected to reach RMB11.1 billion in China in 2030, at a CAGR of 30.7% from 2025 to 2030, according to the same source.

China's manufacturing sector is rapidly embracing intelligent automation. At the same time, global supply chain shifts and trade changes are driving demand for more flexible production solutions. These trends are accelerating growth in the industrial robot market. Technological advances have made industrial robots more precise, efficient, and reliable. They can now handle complex tasks while improving both productivity and operational stability. The growing local production of key components has also made industrial robots more affordable. This has increased their adoption in major industry sectors, such as automotive, consumer electronics, and new energy. Supportive government policies, including the 14th Five-Year Plan for Robot Industry Development, are further accelerating industry growth and technology adoption.

Collaborative robots, distinct from traditional industrial robots, are recognized for their agility, safety, and ease of use. Rather than simply serving as an auxiliary to industrial robots, they have emerged as a standalone growth driver in intelligent automation. These robots facilitate seamless human-machine collaboration on production lines while also addressing application gaps unsuited for traditional industrial equipment. Advances in core technologies, such as intelligent force sensing and machine vision, have

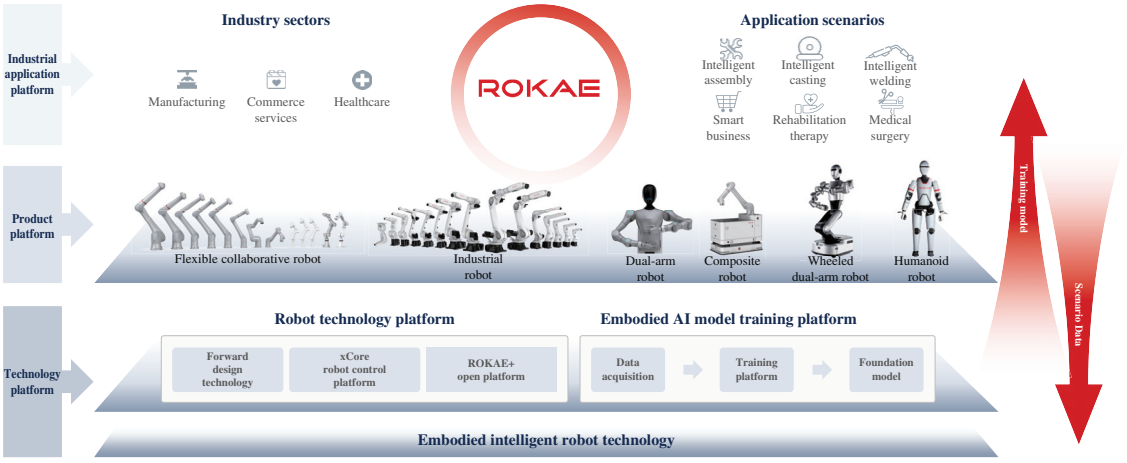
expanded their applications from basic material handling to precision assembly and further beyond factories into other high-growth sectors, such as commercial services and healthcare. Flexible collaborative robots have emerged to achieve built-in high-precision torque sensors in every joint, enabling refined force control and enhanced performance in accuracy, safety, and adaptability. China's flexible collaborative robot market is expected to reach RMB4.6 billion in 2030, at a CAGR of 32.4% from 2025 to 2030, according to the CIC Report. In 2025, we ranked No. 6 in China's collaborative robot market by sales revenue with a market share of 4.8%, and we are the only scaled provider of flexible collaborative robot products among the top six manufacturers, according to the same source.

Advancements in AI are enabling embodied intelligent robots to move beyond simple repetitive tasks. These robots now have capabilities such as autonomous learning, environmental adaptation, and precise decision-making. Through breakthroughs in multimodal sensing, real-time tactile feedback, human-robot interaction, AI models, and machine vision, they operate effectively in complex industrial environments, performing advanced welding, precision assembly, and quality inspection. Simultaneously, they are expanding into other sectors, such as logistics sorting, security inspection, commercial cleaning, cultural performance, and scientific research and education. This technological evolution is driving significant growth in new application scenarios, substantially expanding the potential scope of robotic applications worldwide.

Our Business Model

We have built a platform that fully integrates technology, products and applications. Based on this foundation, our robotic offerings meet critical performance benchmarks, such as repeatability, speed, and force control precision, on par with top international competitors. This enables efficient and rapid product iteration, supporting the transition towards intelligent automation worldwide.

The following diagram is a simplified illustration of our business model.



Our Technology and Embodied AI Model Training Platforms

Our technology platform is built on a suite of proprietary core technologies, primarily including integrated joint force control, high-speed precision control, and intelligent vision and planning. The foundation of our platform is our proprietary robot design technology, powered by our self-designed xCore control system. This system supports multiple robot types and is enhanced by our embodied AI model training platform, which adds advanced AI capabilities in terms of multimodal perception, adaptive decision-making and real-time motion control to our robotic offerings. Our xCore control system offers standardized interfaces for hardware and process package expansion, allowing customers and partners to deploy customized solutions on their own while benefiting from shared AI insights that address last-mile challenges in various application scenarios. We provide full technical support through, among others, documentation, community forums, and training programs. Our AI Service Agent enables predictive maintenance to reduce downtime and ensure continuous operation. Based on our technology stack, we offer a diverse range of robots and process packages for a wide variety of application scenarios.

We have developed our embodied AI model training platform, which is a system that spans from basic automation to artificial general intelligence. This platform enables full-spectrum sensory perception, including force, vision and positioning, as well as advanced compliant interaction. Enhanced by this AI foundation, our robots deliver reliable execution, intelligent decision-making, and heightened adaptability across diverse and complex application scenarios.

Leveraging our technology and embodied AI model training platforms, we deliver robots and robotic solutions, with core features characterized by performance, agility, intelligence, safety and robustness.

- *Performance.* Our advanced motion control technologies provide competitive speed and precision, supported by expertise in both rigid and flexible body dynamics. Our xCore control system integrates sophisticated algorithms for vibration suppression and high-sensitivity collision detection, achieving an absolute positioning precision of 0.15 mm. Our proprietary vibration suppression technology enhances operational stability, reducing joint jitter by over 80%. These technological advantages enable the deployment of our robots and robotic solutions in high-precision sectors, including semiconductor manufacturing and medical services.

- *Agility.* Our robots utilize integrated force sensors and proprietary force-position algorithms to achieve responsive, tactile motion control. With high-precision torque sensors, advanced servo drives, and dynamic force control, our systems enable sensitive collision detection, force-guided assembly, medical applications, and safe human-robot collaboration. Our collaborative robots showcase competitive performance in ingress protection rating, payload, and reach.

- *Intelligence.* We prioritize intuitive human-robot interaction and cross-scenario adaptability. By integrating multimodal perception with our embodied AI model, we equip our robots with advanced perception, decision-making, and execution capabilities. This enables autonomous, high-precision manipulation and solves key industry challenges such as inconsistent workpiece quality and complex programming demands. To this date, we have deployed large-scale applications in core processes such as programming-free welding and autonomous flexible polishing, helping customers reduce costs and improve operational efficiency.

- *Safety.* Our self-developed safety controller operates independently from the main system, enabling real-time monitoring and highly sensitive collision detection without false triggers. All safety functions exceed rigorous industry requirements, ensuring full protection for both personnel and equipment. We are the first Chinese robot manufacturer to achieve 21 TÜV functional safety certifications, according to the CIC Report, demonstrating our commitment to safety and quality.

- *Robustness.* We have a high-performance, high-reliability design verification system for industrial robots. This system incorporates redundancy and rigorous validation at every stage, supported by proprietary databases, structural analysis tools, and adaptive analytics. As the first domestic manufacturer to achieve national MTBF certification of 80,000 hours, our robots are recognized for their reliability. Our robots meet the stringent reliability demands of critical application scenarios, such as automotive assembly and photovoltaic wafer handling.

Our Products and Applications

Our robots feature a modular design built around standardized core components, enabling rapid interchangeability of motors, reducers and encoders. Select modules incorporate advanced materials, optimized through topology algorithms, to reduce weight while enhancing rigidity. This approach lowers maintenance costs by approximately 20% and reduces total robot weight by approximately 15%. We have also developed highly integrated, modular force-controlled joints that combine motors, drives, reducers, encoders, torque sensors, and brakes into a single compact unit. These joints enables swift iteration, facilitate maintenance, reduce weight and cost, and improve overall performance.

Our product portfolio, comprising industrial robots, flexible collaborative robots, and embodied intelligent robots, is designed to meet the demanding requirements of high-speed, high-precision industrial production and the growing need for safe human-robot collaboration and intelligent automation. We offer over 50 variants with payloads from three to 220 kg, to enable industry-tailored solutions across diverse industry sectors. Leveraging deep industry experience, we have developed standardized software process packages for sectors such as automotive, 3C electronics, and new energy. These pre-configured applications, including intelligent assembly, grinding and welding, are built directly into our robot control systems. Customers can deploy them swiftly based on their specific process needs, which can significantly reduce setup time and eliminate complex programming, making automation more accessible.

Our Financial Performance

We achieved robust growth and continually improved gross profit margin during the Track Record Period. Our revenue was RMB267.0 million, RMB325.3 million and RMB521.7 million in 2023, 2024 and 2025, respectively. We recorded gross profit of RMB30.6 million, RMB71.2 million and RMB114.2 million, respectively, representing gross profit margin of 11.4%, 21.9%, 21.9%, respectively.

OUR COMPETITIVE STRENGTHS

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

Robotic Technology Platform with Forward Design and Development

Through sustained investment in R&D, we continue to advance robotic technology and drive the growth of the robotics industry in China. Our R&D team brings together senior industry experts and top academic talent from leading robotics companies and universities. Core members include veterans from global leaders, such as ABB, Kuka, Fanuc, and Huawei, and graduates of prestigious institutions such as Tsinghua University, Beihang University, and Harbin Institute of Technology, with expertise spanning robot control algorithms, visual perception, mechanical design, AI deep learning, servo systems, and force control technology. Over 50% of the team has more than five years of robotics R&D experience, enabling end-to-end innovation from fundamental technological breakthroughs to full product commercialization. The team has led multiple national R&D initiatives, including key projects under China's 14th Five-Year Plan for Robot Industry Development, and has received eight provincial- and ministerial-level awards. We employ a cross-functional framework that ensures market needs directly guide R&D priorities. Our product team gathers on-the-ground customer feedback and converts it into clear, actionable requirements. To tackle core challenges, we form interdisciplinary projects that oversee development from concept to deployment, continuously refining technology based on real-world feedback. This closed-loop process ensures that our innovations remain aligned with market demands.

Through our commitment to forward design and development, we have moved beyond a technology-following approach to build a fully independent innovation system. Our integrated R&D platform spans underlying technologies, control systems, modular components, and product applications, enabling end-to-end development from core breakthroughs to real-world implementation. Built on proprietary technologies such as high-speed precision control and dynamic force control, and centered on our xCore control system, we offer a broad product portfolio of industrial, collaborative, and embodied intelligent robots. These robots utilize modular joints and a wide range of core components, widely deployed in automotive, 3C electronics, new energy, and other emerging sectors. Supported by this platform, our robots achieve performance benchmarks, including positioning accuracy, motion speed, and force control precision, on par with similar products from global industry leaders. This enables rapid iteration and continuous product improvement, accelerating the transition to intelligent automation across industry sectors.

Our xCore control system offers the following core values.

- *Improved efficiency of technological iteration*. By integrating core capabilities such as force control and vision into our universal platform, we can rapidly adapt and package differentiated features without redeveloping foundational systems for each robot type. This platform-based approach eliminates redundant resource investment and significantly accelerates our product iteration cycle.

- *Enhanced scalability of underlying architecture.* Our modular platform architecture enables flexible functional expansion. The same underlying system supports high-speed motion for industrial robots, precise force control for collaborative robots, and advanced perception for embodied intelligent robots, allowing rapid adaptation to diverse product requirements without redesigning core technology.

- *Improved performance from technology interoperability*. Our collaborative and industrial robots share fully interoperable underlying technologies, enabling significant performance synergies across product lines. Collaborative robots now achieve industrial-level motion speeds of 6.3 m/s and a repeat positioning accuracy of 0.015 mm, thanks to high-precision motion control and dynamic modeling inherited from industrial robots. Meanwhile, industrial robots have incorporated safety technology from collaborative robots, becoming the first in China to receive 21 TÜV functional safety certification for industrial robots, according to the CIC Report. They also feature more intuitive operation, inspired by collaborative robot design, significantly reducing the learning threshold for customers.

- *Convenience in deployment and maintenance*. Our platform-based design offers customers simplified deployment, easier maintenance, and highly efficient interface communication. Our xCore control system provides open interfaces that support compatibility with a wide range of peripheral devices, such as mobile chassis and 3D cameras, enabling seamless multi-device coordination and flexible automation solutions.

Broad Product Coverage Supported by Rapid and Cost-effective Business Deployment Capability

We offer a strategic product portfolio of industrial, collaborative, and embodied intelligent robots. This portfolio meets the stringent demands of intelligent automation, including high speed, precision, and stability, and the growing need for flexible, collaborative production. We are one of the earliest domestic companies in China capable of producing both industrial and collaborative robots at an annual production exceeding 1,000 units, reflecting an industry trend toward integrated manufacturing automation, according to the CIC Report. We provide industrial robots spanning ten series and 27 models offering payloads from four to 220 kg and reach from 475 to 2,705 mm. Our collaborative robots include three series and 15 models with payloads from three to 45 kg and reach from 705 to 2,246 mm. We have also launched six types of embodied intelligent robots equipped with full-spectrum perception capabilities, including force, vision, and position awareness, along with compliant physical interaction, human-arm motion mapping, and AI integration covering environmental perception, model training, and real-world implementation. In September 2025, we entered into an agreement with Agibot to provide them with our humanoid arms to be incorporated into their humanoid robots.

Amid the growing industry demand and expanding application scenarios, our robots are all managed through the unified xCore control system. This integrated approach enables us to meet diverse scenario requirements across industry sectors and fully capture emerging market opportunity. For example, we initially partnered with Foton Cummins for our collaborative robots, whose reliable performance led to the subsequent adoption of our industrial robots for high-precision tasks such as machine tending and material handling. Leveraging the inherent compatibility of our xCore control system and the multi-scenario adaptability of our robot portfolio, we can rapidly deploy and scale solutions across our robot types and their application scenarios.

We have also achieved full autonomy from underlying control technologies to hardware design, establishing a strong foundation for sustained cost reduction. We introduced a design that eliminates deployment space constraints of traditional robots while directly lowering production and installation

expenses. By further integrating control and drive chip modules, we enhance our cost efficiency. In supply chain collaboration, we act as an industry anchor, partnering with suppliers to optimize core components including sensors and servo motors. This approach supports suppliers in achieving technological upgrades and economies of scale, while reducing our procurement costs and facilitating mutual growth.

Established Customer and Partnership Network Backed by Our Service Capability and Modular Plug-ins and Open Interfaces

We served more than 1,000 customers across over 40 countries and regions. Our customer base includes leading consumer electronics companies, such as Xiaomi and Goertek; automotive and automotive components manufacturers, such as Valeo and Foton Cummins; and partners in new energy, healthcare, and general manufacturing. Our strong technological capabilities and high-quality service have earned us deep customer recognition. For instance, in consumer electronics, we are a domestic supplier of industrial robots for multiple Xiaomi Group factories, and we also made bulk delivery of composite robots to Goertek. In the automotive sector, we have partnered with Valeo since 2017, providing robotic solutions for more than 10 of their production bases worldwide. Since 2022, we have supplied Foton Cummins' lighthouse factory with industrial and collaborative robots and process packages, helping them increase yield, reduce operating costs, and achieve fully automated production. These collaborations demonstrate our ability to build and sustain long-term partnerships.

We prioritize customer needs in our services. Supporting the entire robot lifecycle, from procurement and deployment to operation and maintenance, we have built a closed-loop service system that provides proactive support, real-time response, and on-site solutions. This approach ensures professional, efficient and attentive service that helps customers maximize the value of their robotic investments. Our service network includes five major spare parts warehouses and 18 service outlets domestically, covering all key business regions in China. Internationally, we operate seven core accessory warehouses and maintain after-sales service presence in 16 countries and regions, ensuring consistent support wherever we do business. To enhance customer capabilities, we offer complimentary technical training to improve operational skills and reduce downtime. We also provide 24/7 multi-channel online support for immediate assistance. Approximately 40% of our technical support team holds a bachelor's degree or higher, and nearly half are senior engineers with more than five years of industry experience. We resolve non-functional issues remotely within 24 hours, dispatch spare parts within 48 hours, and provide on-site support for complex issues within 24 hours. This end-to-end service system not only eliminates concerns about robot adoption but also builds long-term, trusted partnerships with our customers.

Additionally, our xCore control system enables dynamic loading and unloading of functional modules through a plug-in management engine. We have opened the system's core control capabilities and standardized interfaces, collaborating with partners to build the "ROKAE+" network through open cooperation. Hardware partners can quickly connect end effectors, sensors, and other devices using standardized interfaces, developing customized solutions on our platform. We provide a technical documentation library and a plug-in search platform where developers can promote their creations to end-users. High-quality plug-ins receive a "ROKAE Certified" label to enhance market recognition. By building a complete value chain connecting hardware manufacturers and developers, we have expanded our focus beyond hardware manufacturing.

Experienced Senior Management and Business Team

Our management team demonstrates strong strategic foresight. Mr. Tuo Hua, our chairman and general manager, brings over 15 years of robotics industry experience. As the architect of our strategic and technological direction, he has led our dual-core strategy of "industrial robots + collaborative robots," establishing us as one of the earliest domestic companies in China capable of producing both robot types at an annual production exceeding 1,000 units. Guided by his deep industry insight, Mr. Tuo has also promoted and shaped our "ROKAE+ network" strategic vision. In shaping corporate culture, Mr. Tuo has established core values of "proactive, professional and efficient," creating clear behavioral standards and providing lasting momentum for sustainable growth.

Our business team combines expertise with collaborative strength, enabling effective strategy execution. Composed of professionals with experience across technology, production, management, finance, human resources, and legal affairs, the team has been essential to our stable and sustainable development. Their contributions are critical to our efforts in building the core technological capabilities for intelligent robotics.

OUR GROWTH STRATEGIES

We intend to continue to grow our business through the following key strategies.

Continue to Increase R&D Investment in Technological Upgrading

We plan to increase investment in core robotic technologies to strengthen our competitive barriers and enhance product capabilities. Our focus will include advancing our fully self-developed high-precision, high-speed control systems, integrated drive and control modules, and electronic control architectures. We will also enhance our robot body design and validation platform, and further expand in-house R&D of core components, primarily including specialized servos, safety controllers, and encoders. Our modularly-designed hardware and software enable rapid deployment of robotic products that meet diverse application scenarios, while maintaining low production costs. As such, we are capable of launching new products and solutions iterations at a faster pace than our competitors, while ensuring high stability and reliability. For motors and torque sensors, we will adopt an independent design and OEM production model to meet the demanding requirements of certain high-end application scenarios. Relying on our modular technology and self-developed expertise, we have ventured into new application scenarios such as photovoltaic and ship manufacturing sectors and will continue to reach new downstream applications by way of establishing benchmark production lines. At the same time, we have established specialized working groups for several key growth sectors, integrating personnel from business operations, solutions, products, R&D, and after-sales services to drive expansion into niche application scenarios.

Simultaneously, we plan to continue to open and optimize the xCore control system, inviting more hardware manufacturers and developers into our network through standardized interfaces and an open plug-in management engine. We will refine our "platform + process package" approach to offer customers more flexible and adaptive product-service solutions.

During the Track Record Period, we developed and launched 37 new robotic product series, covering six application scenarios. For instance, our NB12h and NB25h light-payload industrial robot series were designed for scenarios with special space, trajectory accuracy and rigidity requirements, such as grinding, welding and laser processing. Our NB185 heavy-payload industrial robot series were designed for the warehousing and inventory application scenarios, meeting the demands for high-speed palletizing. Our NB220R heavy-payload series were designed for scenarios requiring downward retrieval of parts in injection molding and die casting processes. Our CR35 heavy-payload collaborative robot series were designed for material handling and palletizing demands across all industries. Meanwhile, our pipeline NB300 heavy-payload series robots are designed in response to the rising needs of the domestic new energy automobile industry, whose continuous expansion in production capacity has created a demand for domestically produced heavy-duty spot welding and riveting robots. Our NB300 series meet automative OEMs' spot welding requirements by featuring a more suitable transmission structure with a compact forearm design, while accommodating car users' specifications for specialized cable harness configurations.

Continue to Develop Embodied Intelligence and Perceptual Interaction

In line with the industry trend towards the rapid growth of embodied intelligence, with China's market expected to reach approximately RMB460.0 billion by 2035, according to the CIC Report, we plan to further develop embodied intelligence and perceptual interaction. We plan to accelerate the construction of intelligence technology platform, advancing robots from mere execution tools to true intelligent partners.

In embodied intelligence, we plan to develop and iterate products, primarily including humanoid arms and full humanoid robots. In particular, we have been developing our embodied intelligence system, which seeks to establish a closed-loop platform that spans across the data collection, model training and deployment technology chain, by integrating the vision-language action model and hierarchical model architecture. As of the Latest Practicable Date, we have achieved mass production and sales of the following embodied intelligent robot products: the AR series humanoid arm and the *Helios* series wheeled dual-arm robot. We have also secured bulk orders from multiple leading companies in the embodied AI field and have achieved leading sales in the humanoid arm market. Meanwhile, we are advancing both our in-house model training platform and external collaborations in embodied AI. We have established a joint innovation center with a leading university robotics lab to conduct joint research on multimodal embodied model architectures. We are also working with key industry customers on complex applications including grasping and precision assembly, with industrial deployment expected within 2026. We will continue to open our hardware design, mass production capabilities, and robot control platform to partners. Together with partners, we will target vertical applications, such as warehouse picking, precision assembly, and healthcare therapy, to jointly develop and deploy scalable solutions that expand the intelligence and applicability of our robots. In perceptual interaction, we are building a multimodal human-robot interaction system that integrates vision, touch and voice to enable natural, intuitive control through voice command and motion feedback. We will also deepen AI integration through large model training to enhance the generalization capabilities of our robots and extend their use into consumer services, healthcare, and home companionship.

Continue to Expand Overseas to Grow Customer Base and Enhance Brand Influence

We plan to accelerate our overseas expansion by deepening market penetration through localized operations and targeted marketing. Our strategy includes introducing our robotic products and replicating mature domestic robotic solutions to overseas markets, as well as establishing local sales and service centers in key regions such as Europe, Southeast Asia, Japan, and South Korea. These teams will be staffed with language-proficient and industry-experienced personnel to deliver regionally adapted products and customized solutions that meet local standards. Specifically, we will continue to optimize our robotic products and solutions to meet the specific testing and certification standards of each target market overseas, which generally differ from domestic requirements. For instance, the EU requires CE certification, with more detailed requirements for safety design, electromagnetic compatibility, and risk assessment; North America implements standards such as UL 3100, focusing on electrical safety and human-machine collaborative protection, with rigorous third-party testing procedures; Japan and South Korea have proprietary standards such as KC, PSE, and JIS, with unique requirements for electromagnetic compatibility and material compliance. During the Track Record Period and as of the Latest Practicable Date, we had secured confirmed orders for over 53,000 robots in total, comprising over 52,000 from domestic and over 1,400 from overseas customers, with over additional 23,000 robots in indicative demands supported by letters of intention, comprising over 21,000 domestic and over 1,300 overseas. We also plan to focus on engaging high-end overseas customers and securing partnerships with overseas industry leaders. This effort aims to increase our overseas revenue share and elevate the recognition of our ROKAE brand.

Continue to Attract and Cultivate Outstanding Talents

We plan to implement a talent strategy, establishing an end-to-end system for recruiting, developing, and retaining top professionals to support technological innovation and industry advancement. Through international recruitment platforms, overseas centers, and university partnerships, we will attract top domestic and overseas talent. These efforts will accelerate breakthroughs in embodied intelligence robotics, while cultivating a new generation of technical experts with both international vision and deep domain expertise.

OUR ROBOTICS OFFERINGS

Our robotics offerings comprise a combination of robots and robotic solutions, which are marketed under multiple series and are well-suited for tasks in industrial, commercial services and healthcare scenarios. We offer our robots under three principal categories based on their application scenarios and interaction capabilities. Designed to meet diverse application scenarios ranging from high-speed, high-precision manufacturing to safe and flexible human-robot interaction, our robots comprise industrial robots, flexible collaborative robots, and embodied intelligent robots. We also provide industry-tailored robotic solutions, enabling intelligent automation across diverse industrial scenarios. Our robots are standardized products that come with multiple standard options tailored to common application scenarios.

Our product portfolio features a tiered pricing structure. Our industrial robots are typically priced ranging from RMB55,000 to RMB190,000. Our flexible collaborative robots are typically priced ranging from RMB55,000 to RMB150,000 and our embodied intelligent robots are typically priced ranging from RMB40,000 to RMB300,000. We price our products primarily through analysis of production costs, market positioning, competitor pricing, and target profit margins. According to the CIC Report, a variance between our recommended price and our average selling price is consistent with standard industry practice for robotic products. For standardized robot sales, revenue recognition commences generally upon delivery and acceptance of the products, with the entire process encompassing seven key stages and typically requiring 12 to 22 weeks from order to completion. For our robotic solutions, we employ a configuration-based pricing model tailored to each customer's specific technical requirements and budget considerations. These projects recognize revenue upon final customer acceptance of the complete solution. The delivery timeline for these customized systems generally spans four to eight months, depending on the technical complexity and specific contractual requirements of each project.

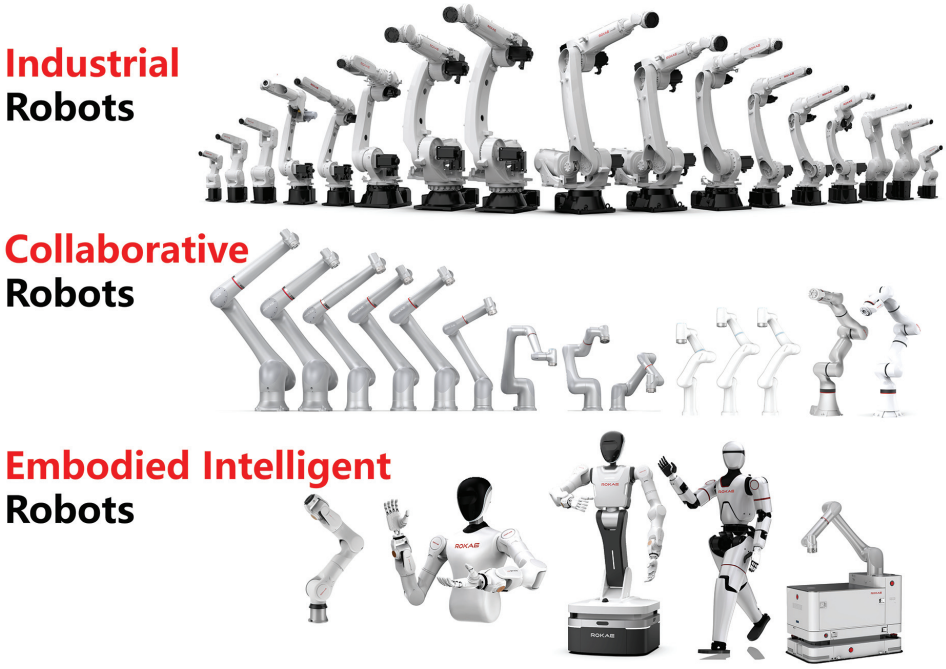
The following table sets forth a breakdown of our revenue by product and solution category for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Total*	*Amount*	*% of Total*	*Amount*	*% of Total*
	(RMB in thousands, except for percentages)					
Sales of robotic products	181,608	68.0	268,666	82.6	409,918	78.6
Industrial robots	111,803	41.9	166,938	51.3	224,747	43.1
– Light-payload robots	*106,715*	*40.0*	*148,998*	*45.8*	*196,803*	*37.7*
– Medium-payload robots	*2,057*	*0.8*	*9,918*	*3.0*	*13,263*	*2.6*
– Heavy-payload robots	*3,031*	*1.1*	*8,022*	*2.5*	*14,681*	*2.8*
Flexible collaborative robots	67,041	25.1	94,643	29.1	138,157	26.5
Embodied intelligent robots	2,764	1.0	7,085	2.2	47,014	9.0
Provision of robotic solutions	79,211	29.7	51,112	15.7	100,014	19.2
Others[(1)]	6,206	2.3	5,479	1.7	11,815	2.2
Total	**267,025**	**100.0**	**325,257**	**100.0**	**521,747**	**100.0**

(1) Others comprise sales of spare parts related to robot products and other technical services.

Our Robots

We provide a comprehensive portfolio of industrial robots, flexible collaborative robots and embodied intelligent robots to address different automation needs across industrial and emerging application scenarios. The following graphic illustrates our robot portfolio.



Our industrial robots are mostly used in structured manufacturing environments where the work is repetitive and standardized. For example, they are typically deployed behind safety barriers on production lines to carry out tasks such as material handling, welding, grinding and assembly. These robots are designed to deliver high speed, high precision and consistent performance, operating based on pre-set programs.

Our flexible collaborative robots are mostly used in situations where robots and people need to work together. They are designed with built-in force sensing and safety features, so they can operate next to human workers without safety barriers. This makes them suitable for tasks such as assembly, inspection, screw fastening and material handling, especially where flexibility or human involvement is needed. Compared with industrial robots, they place more emphasis on safety, flexibility and ease of use rather than maximum speed or payload.

Our embodied intelligent robots are mostly used in more complex and changing environments, where tasks cannot be fully pre-defined and the robot needs to adjust its actions based on real-time conditions. They are equipped with sensors (such as vision and force sensing) and onboard AI, which allow them to understand their surroundings, make decisions and respond accordingly. This enables them to handle tasks such as precision assembly, intelligent material handling and multi-step operations across different workstations, especially where the environment or inputs may vary. Compared with industrial and flexible collaborative robots, they focus more on "sensing, learning and adapting," representing a shift from fixed, programmed tasks to more intelligent and flexible operation.

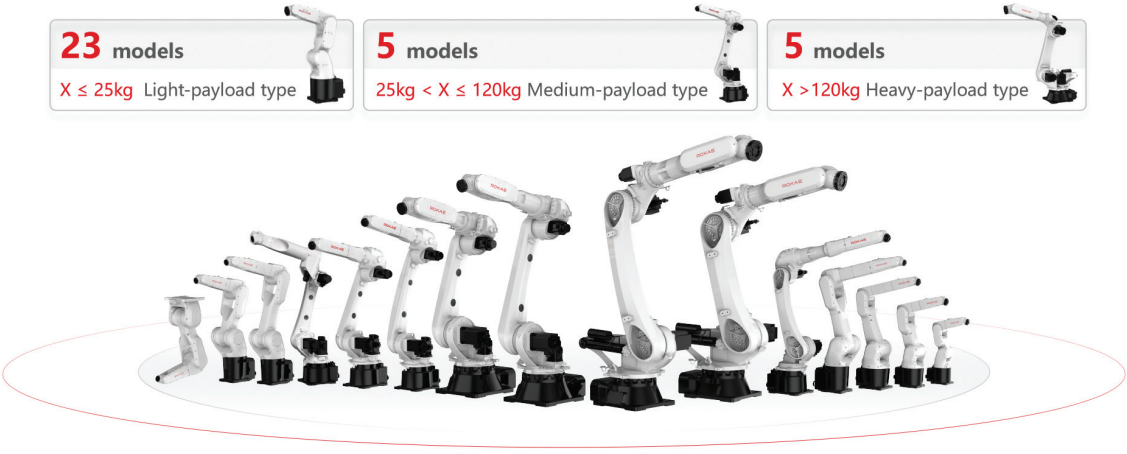
To illustrate how these robots are used in different settings, on a modern engine production line, for instance, our industrial robots handle heavy-duty, repetitive work such as welding or moving large parts in enclosed areas, while our flexible collaborative robots work next to operators on tasks like screw fastening or applying labels, where precision and safe interaction are important. In a broader factory setting, our embodied intelligent robots may move between different workstations to pick up, transport and deliver parts, and adjust their actions if the layout or workflow changes.

Industrial Robots

Industrial robots refer to automatically controlled, reprogrammable, multi-purpose robotic arms used for automation applications in industrial environments. Their mechanical structures are similar to human arms, enabling flexible trajectory planning and complex operational tasks. Different from collaborative robots, industrial robots are often used in dedicated industrial workplaces, which is restricted by safety barriers as they are not designed for direct human interactions. They operate through programming and guidance, equipped with multiple joints and sensing capabilities such as vision, force, and displacement detection. These features enable the robots to perceive their environment and work objects, make autonomous judgments and decisions, and perform physical tasks in harsh, repetitive, or hazardous conditions as a substitute for manual labor. We offer a broad portfolio of industrial robots deployed across a wide range of application scenarios. Our product line is segmented based on payload capacity into three categories, i.e., light-payload, medium-payload and heavy-payload, each engineered to meet the specific performance requirements of distinct industrial applications.

Our industrial robots follow the standard vertically articulated robot design, including primarily six-axis degrees of freedom. The base utilizes a hollow structure to allow for internal routing of cables, pneumatics, and other utilities, keeping them protected and minimizing interference with the workspace. The lower arm utilizes a robust link that provides the primary lifting motion, with maximum stiffness to minimize deflection under heavy loads and high acceleration. The upper arm connects the lower arm to the wrist assembly, and is designed for a large working volume and to house the motors and gears for the subsequent wrist axes. In certain robot models, our wrist assembly utilizes the hollow wrist and dual-axis modular designs, which allows all user cables to be routed internally through the arm and out the center of the wrist. Our industrial robot series are also designed with IP67-rated body protection and wrist sealing, ensuring reliable operation in harsh industrial conditions while minimizing maintenance needs. Our industrial robots have been certified and meet the ISO 13849-1:2023 and ISO10218-1 safety standards.

The following diagram sets forth an illustration of our industrial robot series.



Light-payload robots

Light-payload robots are designed for agile, high-speed operations in environments that require precision and compact form factors. Typically defined by a payload capacity below 25 kg, these robots are suitable for tasks such as inspection, sorting, and small-part handling across manufacturing, laboratory, retail, and educational scenarios. Our light-payload product lineup includes models optimized for low-load, high-frequency workflows, enabling efficient deployment in space-constrained and dynamic production scenarios. According to the CIC Report, the industry standard for overall machine protection rating is generally IP54, with a typical arm reach of 2,000 mm to 2,100 mm and an average precision of ±0.04 mm. Our products feature an overall IP67 protection rating, a 2258mm arm length, and ±0.03 mm precision, representing competitive performance.

NB4 series. Our NB4 series products are our compact robots for high-reliability operations in constrained and harsh environments. The robot is designed with bottom-exit wiring which supports installation in close proximity to walls, offering enhanced integration flexibility. The series include two models, NB4-4/0.47 and NB4h-4/0.58, both featuring six degrees of freedom and powered by AC servo motors. Each model supports a wrist payload of 4 kg, with repeat positioning accuracy of ±0.02 mm, enabling precise manipulation tasks. The NB4-4/0.47 offers a maximum reach of 475 mm, while the NB4h-4/0.58 extends this reach to 580 mm, providing enhanced flexibility for dynamic operations requiring greater spatial coverage and responsiveness. The NB4 series are widely deployed across diverse application scenarios, including loading and unloading, deburring, inspection, glue dispensing, assembly, and material handling.

XB7 series. Our XB7 series products are versatile compact robots designed for high-reliability operations in demanding industrial environments. The robots support flexible installation at any angle, including close proximity to walls, enabling seamless integration into compact production lines. The series includes three models, XB7, XB7h, and XB7L, each equipped with six degrees of freedom and powered by AC servo motors. All models support a wrist payload of 7 kg, with repeat positioning accuracy of ±0.02 mm, ensuring precise and stable manipulation. The XB7 model offers a maximum reach of 707 mm, while the XB7h and XB7L extend this reach to 906 mm, providing users with flexible options to meet varying spatial and performance requirements. The XB7 series are widely deployed across diverse application scenarios, including loading and unloading, deburring, inspection, glue dispensing, assembly, automated sorting, and material handling.

XB10 series. Our XB10 series products are versatile compact robots designed for high-reliability operations in demanding industrial environments. Featuring full cast-aluminum body, the lightest material in class, and fully enclosed internal arm cabling, enabling faster operation speeds and space-optimized deployment. The robots support flexible installation at any angle, including close proximity to walls, enabling seamless integration into compact production lines. The series include one model, equipped with six degrees of freedom and powered by AC servo motors. The model supports a wrist payload of 10 kg, with repeat positioning accuracy of ±0.05 mm, ensuring precise and stable manipulation. The model offers a maximum reach of 1,206 mm, providing users with flexible options to meet varying spatial and performance requirements. The XB10 series is widely deployed across diverse application scenarios, including loading and unloading, deburring, inspection, glue dispensing, assembly, automated sorting, and material handling.

NB12 series. NB12 series are built for high-performance operations requiring precision, durability, and ease of deployment. NB12 series simplifies cable routing in tight spaces, reducing interference and streamlining setup. Its quasi-hyperbolic transmission design delivers superior rigidity and impact resistance, making it ideal for high-intensity tasks. Powered by an advanced dynamics-based planning algorithm, it achieves competitive speed and accuracy, enhancing throughput without overloading core components.

NB25 series. NB25 series represent an advancement in high-performance industrial automation, offering payload capacities from 12kg to 35kg with an extended arm reach ranging from 1617 mm to 2258 mm. This versatility makes them suitable for applications such as grinding, welding, and material handling. The series features a quasi-hyperbolic transmission system which enhances joint stiffness and impact resistance, ensuring stable performance in high-intensity environments.

Medium-payload robots

Medium-payload robots are designed to deliver reliable performance in environments that require moderate load handling, high precision, and high operational flexibility. Typically defined by a payload capacity ranging from 25 to 120 kg, these robots are suitable for tasks such as packaging and mid-scale logistics operations. Our medium-payload product lineup includes models engineered to support scalable deployment across diverse application scenarios.

NB80 series. NB80 series are designed to deliver exceptional payload capacity and extended motion range within their class, enabling intelligent automation across demanding industrial scenarios. With a payload of 50 kg to 80 kg, a working radius of 2,200 mm to 2,598 mm, and six degrees of freedom, the NB80 series excel in high-inertia tasks requiring both strength and reach. Powered by AC servo drive and offering a repeatability of ±0.06 mm, the NB80 series combines precision, durability, and adaptability for moderate load operations.

Heavy-payload robots

Heavy-payload robots are designed to meet the demands of high-load, high-precision and high-speed operations across complex manufacturing environments. Heavy-payload robots are typically defined by a payload capacity above 120 kg, enabling them to perform tasks such as automotive assembly, steel structure handling, and large-scale material transport. We offer two heavy-payload series robots, NB220 and NB185, each engineered to address distinct operational requirements. The following are illustrations of our product series.

NB185 series. NB185 series combine high payload capacity with extended reach to meet the demands of heavy-load palletizing and flexible production line layouts. With a 185 kg payload and a 3,170 mm arm span, the NB185 series are suitable for large-scale operations requiring both strength and spatial coverage. The compact body design minimizes interference with surrounding equipment, simplifying deployment across diverse industrial environments.

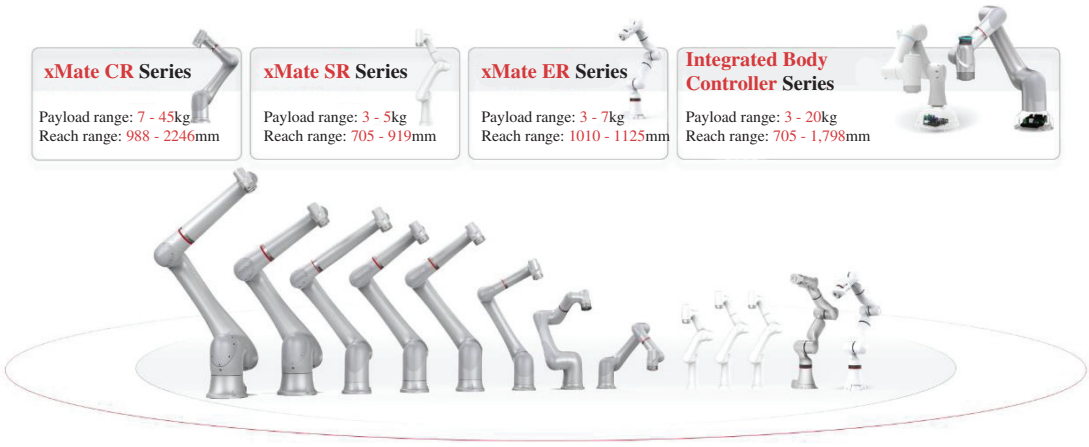
NB220 series. Our NB220 series are engineered for ultra-heavy-duty industrial applications, offering a payload capacity of 150 kg to 220 kg with repeat positioning accuracy of ±0.07 mm to ±0.08 mm to handle high-load tasks with enhanced operational efficiency. With an extended arm reach of 2,705 mm to 3,201 mm, the NB220 series easily adapt to a broader range of application scenarios, from large-scale assembly to material handling.

Flexible Collaborative Robots

Collaborative robots have emerged as a standalone growth driver in intelligent automation, leveraging their capability in facilitating seamless in human-robot collaboration. Designed with agility, safety, and ease of use, collaborative robots differ from the traditional industrial robots by featuring lightweight structures, adaptive motion capabilities, and enhanced safety mechanisms that allow them to operate alongside human workers without physical barriers. Our collaborative robots, which consist entirely of flexible collaborative robots rather than traditional collaborative robots, are distinguished by their exceptional collision sensitivity and precision. In particular, as compared with traditional collaborative robots, our flexible collaborative robots have achieved built-in high-precision torque sensors in every joint, leveraging our integrated joint force control technology, which enables refined force control and enhanced performance in accuracy, safety, and adaptability. For certain major customers, including Xiaomi, our collaborative robots integrate joint force control with AI-based recognition, solving long-standing challenges in precision assembly, such as limitations in stability, efficiency, and cost. According to the CIC Report, the industry standard for flexible collaborative robots typically includes an IP65 protection rating for the entire machine, a reach range of 800 mm to 1,700 mm, and an average precision of ±0.05 mm. Our products feature an IP67 protection rating for the entire machine, a reach range of 988 mm to 2,246 mm, and a precision of ±0.02 mm to ±0.05 mm, representing competitive performance. At the same time, our flexible collaborative robots have been certified and meet the EN ISO 13849-1:2015, ISO10218-1 and ISO15066 safety standards.

Our flexible collaborative robots feature a lightweight, rigid articulated arm, with five-axis, six-axis and seven-axis of motion for human-like dexterity. This is enhanced by a compact, smooth form and design that enables flexible deployment, while intuitive physical guidance ensures quick setup and safe, efficient human-robot collaboration. By sharing a common xCore control system, which enables system-level integration across our robots, our flexible collaborative and industrial robots can operate in a coordinated manner.

The following diagram sets forth an illustration of our flexible collaborative robot series.



xMate CR series. xMate CR series are built on a hybrid force-position control framework and powered by our self-developed xCore control system, tailored for industrial applications. The series deliver enhancements in motion performance, force control, safety, usability, and reliability.

xMate SR series. xMate SR series feature an ultra-lightweight design and integrate advanced safety technologies to enable intuitive and secure human-machine interaction. Each joint is equipped with torque sensors, enabling highly sensitive collision detection with single-finger touch-stop responsiveness. The robot is powered by industrial-grade high-performance components, ensuring stable and reliable operation. With ultra-light drag-to-teach capability, users can easily adjust waypoints with one hand. Combined with graphical programming and secondary development interfaces, the SR series significantly lowers the barrier to deployment.

xMate ER Series. xMate ER series are equipped with torque sensors on all joints, enabling full-state feedback and direct force control for enhanced flexibility in obstacle avoidance and collision detection. While maintaining high-precision position control, the ER series also deliver dynamic force responsiveness and compliant motion capabilities, making it ideal for complex industrial tasks. The product line includes several models available in both six-axis and seven-axis configurations. With intuitive drag-to-teach functionality and support for the graphical programming language, customers benefit from simplified and various programming options. The open software development kit provides low-level control access, meeting the advanced needs of education, research, and automation process development.

Integrated body controller series. Integrated body controller series are a compact, all-in-one unit that is fully integrated into the robot body itself. A fundamental shift in robotic architecture, this series drastically simplifies system setup by eliminating the complex nest of cables between the robot arm and an external controller, which reduces installation space by up to 50% and making deployment significantly faster and cleaner. This series uses a high-performance, proprietary motion controller that delivers computational power for advanced path planning and real-time servo control, ensuring the high precision and stability required for demanding industrial tasks. The controller can gather and process real-time data on joint torque, temperature, and performance with minimal latency, which is critical for advanced force control, collision detection, and predictive maintenance algorithms.

The following table sets forth the key differences between our industrial robots and flexible collaborative robots in terms of functionality, structure, usage scenarios, levels of autonomy, safety features, and target applications.

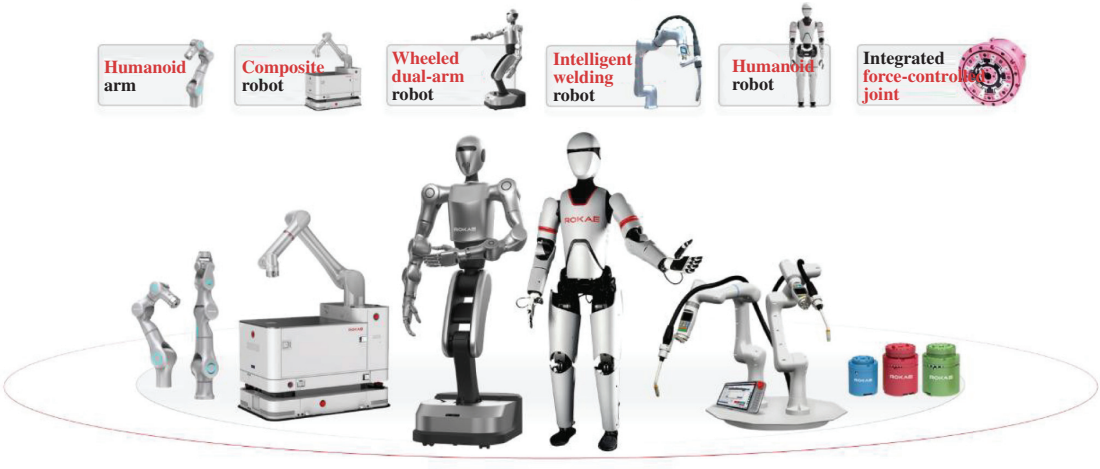
	Industrial robots	Flexible collaborative robots
Functionality	Performs common industrial tasks with multi-degree-of-freedom	Supports human–robot collaborative operation through joint force control capability
Structure	Multi-joint industrial robotic arm structure	Multi-joint collaborative robotic arm with integrated joint force control
Use scenarios	Industrial manufacturing processes including material handling, assembly, packaging, welding and grinding	Material handling, assembly and packaging in industrial manufacturing, as well as unmanned retail and massage therapy in commercial services, and surgical robotic systems in healthcare applications
Levels of autonomy	Programmed control	Programmed control
Safety features	ISO 13849-1:2023 and ISO10218-1	EN ISO 13849-1:2015, ISO10218-1 and ISO15066
Target applications	Industrial manufacturing, including automotive and automotive components, 3C electronics, lithium battery and photovoltaic industries	Industrial manufacturing, including automotive and automotive components, 3C electronics, lithium battery and photovoltaic; commercial services, including unmanned retail and massage therapy; healthcare applications, including surgical robotic systems.

Embodied Intelligent Robots

Our embodied intelligent robots include humanoid arms, composite robots, wheeled dual-arm robots, intelligent welding robots, humanoid robots, and integrated force-controlled joints that support multimodal sensory manipulation tasks. As of the Latest Practicable Date, we obtained more than 10,000 orders for embodied intelligent robots. According to the CIC Report, nearly half of China's top 10 embodied intelligent robot companies in terms of market valuation are using or have already switched to our humanoid arms for product iteration. We continue to enhance our robot body design and develop embodied intelligence and perceptual interaction, which will serve to advance our robots from mere execution tools to true intelligent partners.

Our composite and intelligent welding robot series meet the EN ISO 13849-1:2023 safety standard, while our humanoid arm, wheeled dual-arm and humanoid robot series are undergoing the testing procedures and are expected to obtain certifications in 2026.

The following diagram sets forth an illustration of our embodied intelligent robot series.



AR series humanoid arm. Our AR series are designed for advanced human-like interaction and intelligent task execution. Equipped with joint-integrated torque sensors, the AR series enables high-sensitivity force perception and control across the entire arm. Built-in high-speed vision and tactile sensor interfaces support eye-in-hand vision systems and dexterous tactile hands, enabling full-dimensional sensing of force, vision, and position for compliant physical interaction. The robot features

an ultra-lightweight and compact force-controlled joint, fully enclosed with magnesium alloy shell. With a self-weight under 10 kg and an over 1:2 payload-to-weight, the AR series adopts a seven degree-of-freedom and cruciform structure configuration, allowing direct mapping to human arm movements.

CMR series composite robot. Our CMR series deploy reinforced chassis, rich safety configuration and multi-layer precision compensation technology and are suitable for machine tool processing and products with a material weight of 20 kg or less. Our CMR series address the challenges of complex ground environments, high precision requirements, and high yield demands in actual production scenarios.

Helios series wheeled dual-arm robot. Our Helios series leverage model learning and training and greatly improves the robot's ability to deal with flexible events. The Helios series are equipped with 7-DoF Arm, 12-DoF Dexterous Hand, and 4-DoF Waist Joint, which are able to address demands for factory material box handling, complex material sorting and precision assembly.

Intelligent welding robot. Intelligent welding robots are designed to perform autonomous and teaching-free welding tasks by integrating 3D vision, computer-aided manufacturing, autonomous motion planning, autonomous motion planning, welding process packages, and a welding expert database. Compatible with various robotic platforms, including industrial robots, flexible collaborative robots, composite robots, and humanoid robots, our intelligent welding robots are widely applicable in scenarios such as building steel structures, bridge steel structures, and shipbuilding.

Human.X series humanoid robot. Our Human.X series are a full-size humanoid robot with 55 degrees of freedom and multimodal sensing fusion technology, which can accurately obtain real-time environmental information through the integration of visual, auditory, tactile and other sensors to ensure detailed perception of surroundings. Meanwhile, the force-controlled joints are equipped with smooth control technology, which makes the joints move more flexibly, smoothly and safely.

Integrated force-control joint. The integrated force control joint embeds the force sensing directly into the joint's harmonic drive or output flange, providing exceptionally high-fidelity, low-latency, and collision-resistant torque measurement. This integration allows the joint to continuously and precisely monitor the torque being applied at the point of rotation, enabling a robot to perform delicate tasks that require "feeling," such as precision assembly, polishing or grinding, where maintaining a specific contact force is critical. Further, the joint can detect an unexpected collision with a human or object with extreme sensitivity and react instantaneously by stopping or retracting. By processing this force data locally within the joint's own controller or the main integrated body controller, our integrated force control joint can execute complex adaptive force control loops at incredibly high speeds, making the robot not just a rigid positioner but a responsive and intelligent partner capable of interacting gracefully with its environment.

Our embodied intelligent robots differ from industrial and flexible collaborative robots in their technological architecture and operational capabilities. While industrial robots specialize in high-speed, high-precision tasks in structured environments, and flexible collaborative robots focus on safe human-robot interaction, embodied intelligent robots integrate multi-sensor perception and onboard AI to achieve autonomous decision-making in dynamic, unstructured settings. This distinction is reflected in their technical specifications: industrial and flexible collaborative robots are measured by motion-centric parameters such as accuracy and payload, whereas embodied intelligent robots are characterized by cognitive capabilities such as sensor fusion, computational power and inference speed. In terms of application scenarios, industrial robots are predominately used in the manufacturing sector, particularly in manufacturing facilities requiring large-scale production. In addition to the manufacturing sector, collaborative robots, leveraging their force perception capabilities, are suitable for the commercial services and healthcare sectors for performing diverse and personalized service tasks. Embodied intelligent robots are suitable for a broad range of application scenarios requiring high mobility efficiencies, including industrial, commercial services, and even more extreme environments demanding flexible and perceptive operations. Accordingly, the pricing reflects these capability differences, with industrial and collaborative robots typically ranging from RMB55,000 to RMB190,000, while embodied intelligent robots typically ranging from RMB40,000 to RMB300,000.

Within the category of embodied intelligent robots, the AR Series humanoid arm achieves biomimetic manipulation through a seven degree-of-freedom design and high-precision force control (≤0.15 N), serving adaptive industrial tasks and R&D applications. The CMR series composite robot employs integrated mobility, vision and manipulation coordinated by SLAM navigation to perform complex material handling and multi-station operations in dynamic environments. Meanwhile, intelligent welding robots deliver specialized, high-precision processing for high-volume manufacturing. Collectively, these robotic products offer enhanced adaptability, enabling deployment across a broader range of scenarios. The following table sets forth the key differences among our humanoid arm, composite robots and intelligent welding robots within the category of embodied intelligent robots, in terms of functionality, structure, usage scenarios, levels of autonomy, safety features, and target applications.

	AR series humanoid arm	CMR series composite robot	Intelligent welding robots
Functionality	Enables advanced human-like interaction and intelligent task execution through high-sensitivity force perception and control across the entire arm	Supports autonomous mobile operation and precision manipulation for machine tool processing and material handling	Performs autonomous and teaching-free welding tasks
Structure	Built with seven-degree-of-freedom humanoid arm with force control capability and compliant force control performance	Composed of a mobile robot, a collaborative robot, vision systems and end effectors, coordinated through centralized decision-making	Composed of a robotic arm, vision systems and a centralized control system
Use scenarios	Used as a humanoid arm solution for wheeled dual-arm robots in industrial production, including assembly operations and material handling, as well as commercial scenarios such as unmanned retail	Factory material handling and machine tool operations, including workpiece loading and unloading	Welding production processes in industries such as steel structures, construction machinery and shipbuilding
Levels of autonomy	Operates as an actuator of the wheeled dual-arm robot	Fully autonomous operation	Fully autonomous operation
Safety features	–[(1)]	EN ISO 13849-1:2023	EN ISO 13849-1:2023
Target applications	Industrial, commercial services and household applications	Industrial applications	Industrial applications

(1) Our AR series humanoid arm is currently undergoing testing procedures. Subject to the completion of such testing, we expect to obtain EN ISO 13849-1:2023 certification in the second half of 2026.

Case Study

Our customer, a leading humanoid robotics company, faced challenges to commercialization due to a lack of force control capability, causing a high assembly failure rate, combined with unstable production yields and low monthly production capacity. We provided a joint force-controlled humanoid arm solution integrating our high-precision force control technology with a certified mass production system. We also deployed our ROKAE embodied AI model training platform that captures multimodal physical interaction data, filling a substantial gap in force data for embodied AI model training. This partnership increased our customer's precision electronic plug/unplug task success rates, enabled the delivery of more than 1,200 units of force-controlled humanoid arms in the fourth quarter of 2025 to support its major product launch, and ultimately unlocked over 5,000 units in commercial orders, demonstrating how precision force control transforms embodied intelligent robots from lab concepts into commercially viable, mass-producible products.

The following table sets forth the revenue, sales volume, average selling price, or the ASP, gross profit and gross profit margin (before write-down of inventories) by our robotic product types for the years indicated.

	Year ended December 31,														
	2023					2024					2025				
	Revenue	*Sales volume*	*ASP*	*Gross profit*	*Gross profit margin*	*Revenue*	*Sales volume*	*ASP*	*Gross profit*	*Gross profit margin*	*Revenue*	*Sales volume*	*ASP*	*Gross profit*	*Gross profit margin*
	(RMB in thousands for revenue and gross profit; RMB in thousands/unit for ASP)														
Industrial robots	111,803	2,318	48	16,653	14.9%	166,938	4,073	41	37,769	22.6%	224,747	6,333	35	48,551	21.6%
Collaborative robots	67,041	1,433	47	14,687	21.9%	94,643	2,071	46	31,254	33.0%	138,157	3,633	38	48,052	34.8%
Embodied intelligent robots	2,764	10	276	(937)	(33.9)%	7,085	34	208	2,167	30.6%	47,014	1,190	40	5,025	10.7%
Total	**181,608**	**3,761**	**48**	**30,403**	**16.7%**	**268,666**	**6,178**	**43**	**71,190**	**26.5%**	**409,918**	**11,156**	**37**	**101,628**	**24.8%**

The gross profit and gross profit margin of our embodied intelligent robots improved significantly, from gross loss and gross loss margin of RMB0.9 million and 33.9% in 2023 to gross profit and gross profit margin of RMB2.2 million and 30.6% in 2024. Such turn around was primarily due to (1) the commercialization progress of our CMR composite robots, which were in the early launch stage in 2023 and became more mature in 2024, and (2) the relatively higher materials, labor and production costs incurred in 2023 in connection with a major order, which was undertaken as part of our strategy to establish benchmark customers in the embodied intelligent market. Our gross profit for embodied intelligent robots further increased to RMB5.0 million in 2025, primarily due to the increase in revenue, while our gross profit margin decreased to 10.7%, primarily due to changes in revenue mix and the early-stage commercialization of newly launched products. In particular, in 2025, we launched our AR series and fulfilled a large-scale order for such products, resulting in a higher revenue contribution from these newly introduced models. As the production processes for such products had yet to fully mature, higher manufacturing and unit costs were incurred, which adversely affected gross profit margin. As we continue to develop and refine the production process for embodied intelligent robots, we expect our gross margin to improve in the future.

The ASP of our industrial robots decreased from RMB48.0 thousand per unit in 2023 to RMB41.0 thousand per unit in 2024 and further to RMB35.0 thousand per unit in 2025, while the ASP of our collaborative robots decreased from RMB47.0 thousand per unit in 2023 to RMB46.0 thousand per unit in 2024 and further to RMB38.0 thousand per unit in 2025, both primarily attributable to (1) intensified market competition in the robotics industry during the Track Record Period, according to CIC, which resulted in a general downward trend in pricing, (2) our continuous investment in research and development and the realization of economies of scale in our cost structure, which enabled us to steadily improve and maintain our gross profit margins, thereby allowing us to offer lower prices to enhance our market penetration and strengthen our position among key customers, and (3) changes in product mix across different models and specifications, as industrial robots inherently vary in pricing depending on technical parameters such as payload, reach and application requirements, and we recorded a higher proportion of sales of relatively lower-priced models during the Track Record Period.

The ASP of our embodied intelligent robots decreased from RMB276.0 thousand per unit in 2023 to RMB208.0 thousand per unit in 2024, and further to RMB40.0 thousand per unit in 2025. This decrease was primarily driven by changes in product mix and commercialization stage. In 2023 and 2024, our sales of embodied intelligent robots primarily comprised the CMR series composite robots, which are fully assembled composite robots with higher prices. In 2025, we shifted from primarily selling composite robots to selling a larger proportion of robotic arms, and we recorded a substantial increase in sales volume of our robotic arms products, driven in part by a large-scale order of more standardized AR series, which had a lower unit price compared to earlier composite robot models.

The following table sets forth certain key operating metrics for our robotic products.

	Year ended December 31,		
	2023	2024	2025
Number of customers	426	594	834
Customer retention rate[(1)]	37.1%	41.3%	32.5%
Average customer value[(2)] (RMB in thousands)	426.3	453.1	494.1
Net dollar customer retention rate[(3)]	47.9%	54.7%	57.8%

(1) Customer retention rate for a given period is calculated by dividing the number of robotic products customers in the previous period that remain as our customers in the given period, divided by the number of customers in such previous period.

(2) Average customer value is calculated as revenue from the sales robotic products in a given period divided by the number of corresponding customers in the same period.

(3) Net dollar customer retention rate is calculated by dividing the revenue of a current period from robotic products customers of both current and previous periods by the revenue of the previous period of such robotic products customers, multiplied by 100%.

Our Robotic Solutions

We provide industry-tailored solutions to address unique operational needs of our customers. Our robotic solutions typically embody one or more robots we offer. Drawing on our experience, we work closely with customers to develop one-stop solutions that address specific challenges and enhance operational efficiency. By customizing robotic solutions in new industry sectors on a project-based basis to set benchmark projects, we standardize our solutions and attract new customers in this new sector to scale our business. Our benchmark projects providing standardized solutions in specific industry sectors to leading customers have built a broad and high-quality customer base in those industry sectors, providing a solid foundation for sustained growth.

Under a robotic solutions project, we do not merely supply robotic products. Instead, we are engaged as the primary system integrator responsible for delivering a complete, project-based automation solution tailored to the customer's specific production process. Our robotic solution sales model differs from standalone robot sales by delivering fully customized, turnkey automation systems that may include our xCore control system and ROKAE+ platform software systems as well as our robotic products and self-developed servos, controllers, torque sensors and other hardware components, typically for first-of-its-kind applications or automated production lines. The scope of work in such projects extends well beyond the provision of robotic hardware. It may encompass, among other things, (1) the design of customized workstations and production line layouts, (2) the integration of standardized robots with conveyors, fixtures, vision systems, sensors, safety systems and other auxiliary equipment, (3) the development and configuration of robot control software and application programs, (4) integration with customers' existing production lines, manufacturing execution systems and control systems, and (5) on-site debugging, trial production and final acceptance based on agreed technical specifications and performance criteria. Customisation primarily occurs at the system integration and software levels, including the design of workstations, selection of end-effectors, programming of motion paths, integration with customers' existing production lines and adjustment of control logic. The level of customization required also generally varies by project and industry application, but does not typically involve fundamental changes to the core robot hardware. Instead, value is mainly created through our system design capabilities, software development and integration expertise as described above.

This approach involves deep engagement from our specialized teams, and the scope of services covering initial process design and simulation, detailed mechanical and electrical engineering, procurement, installation, and commissioning. The process culminates with a factory acceptance test at our facility, followed by shipment and final on-site commissioning to meet all customer acceptance criteria. This complete project management approach ensures seamless execution of these highly tailored automation solutions across diverse application scenarios.

The contract value of our robotic solution projects varies depending on factors such as project scale, industry application, system complexity and degree of customization. During the Track Record Period, our robotic solution projects were generally charged on a project basis with a fixed total contract price ranging from approximately RMB30.0 thousand to RMB20.0 million, with larger projects typically involving more sophisticated system integration and longer implementation cycles. All robots utilized in a robotic solution are included within the solution contract, and revenue is recognized based on the value of the entire solution package.

Our industry-tailored solutions enable seamless integration with existing factory equipment, support multi-model robot collaboration, and adapt to complex industrial processes. Specifically, our robotic solutions integrate complete robots with end-effectors, sensors, operational tools and mobility components into standalone units capable of performing complex tasks. Through customized system design and software debugging, we are able to facilitate scalable intelligent automation for diverse application scenarios, such as laser cutting, welding and polishing. All factory components, both new and existing, are synchronized through a unified central control system, enabling a fully interconnected, highly automated production environment.

To illustrate the difference between robotic product sales and the provision of robotic solutions, in a typical automotive welding application where a customer seeks to automate a welding workstation, under a robotic product sale, the customer procures a standardized industrial robot, which may include models from our robot series such as the NB25 industrial robot series, or other series based on performance specifications, payload and pricing, with relatively limited pre-sales customization. Our business acquisition for such product sales is generally channel-driven with broad market coverage, leveraging a combination of direct sales, distributor networks and industry exhibitions, where our marketing efforts focus on product specifications. Upon purchase order, we manufacture and deliver the robot within a typical lead time of approximately five to 12 weeks, after which the customer is responsible for integrating the robot into its production line, including programming and coordination with other equipment. The sales cycle is generally shorter and more straightforward, reflecting the standardized nature of the offering, and our ongoing obligations are mainly limited to product warranty, maintenance and technical support for the robot itself.

By contrast, under a robotic solutions engagement for the same welding scenario, we act as the primary system integrator and work closely with the customer to design and deliver a fully customized, turnkey automation system based on our product offerings and tailored to the customer's specific production process. Our business acquisition in such cases is more relationship-driven and solution-oriented, relying on our sales and engineering teams to deeply engage with key customers in specific industries, identify their operational needs and build trust through technical discussions and customized solution demonstrations. Such projects typically involve a broader scope of work, including workstation and production line design, integration of robots, auxiliary equipment and systems such as conveyors and safety barriers, development and configuration of the control software, and on-site installation, debugging and final acceptance. The business acquisition process is more solution-driven and requires deeper technical engagement, resulting in a longer sales and implementation cycle that may span several months, depending on complexity of the project. Our responsibilities extend beyond hardware delivery to encompass overall system performance and commissioning, with ongoing obligations that may include continued technical support to ensure the stability and effectiveness of the integrated solution. See "—Our Product Development Lifecycle and Business Process—Business Process."

The following tables set forth the details of our major projects during the Track Record Period.

Year ended December 31, 2023

Project background	Application scenario	Status (as of December 31, 2025)	Project duration	Place of implementation	Customer background
Energy storage unit cooling system assembly line	Assembly; nailing; inspection	Completed	More than one year	Chinese Mainland	A large-scale central air-conditioning manufacturer
Energy storage unit cooling system assembly line	Assembly; nailing; inspection	Completed	Less than six months	Chinese Mainland	A manufacturer of various vehicle air conditioners and related accessories
Full-scale guide vanes service environment simulation test equipment	Plasma and supplementary combustion heating; inspection	Completed	Six months to one year	Chinese Mainland	A research institution
Turbine blade test module cavity test equipment	Plasma heating; inspection	Completed	Less than six months	Chinese Mainland	A prestigious university in China
Energy storage unit cooling system assembly line	Assembly; nailing; inspection	Completed	Six months to one year	Chinese Mainland	A manufacturer of electronic temperature and humidity control equipment

Year ended December 31, 2024

Project background	Application scenario	Status (as of December 31, 2025)	Project duration	Place of implementation	Customer background
Energy storage unit cooling system assembly line	Assembly; nailing; inspection	Completed	More than one year	Chinese Mainland	A manufacturer of environmental protection equipment
Automotive radiator core automatic assembly equipment	Assembly; inspection	Completed	Less than six months	Chinese Mainland	A company engaged in financial leasing business
Energy storage unit cooling system assembly line	Assembly; nailing; inspection	Completed	More than one year	Chinese Mainland	A manufacturer of environmental protection equipment
Modular material service environment simulation test platform for aeroengines	Plasma heating; inspection	Completed	Less than six months	Chinese Mainland	A research institution
Intelligent services for airport baggage sorting and loading systems	Inspection	Completed	Six months to one year	Chinese Mainland	A provider of air passenger and cargo transportation

Year ended December 31, 2025

Project background	Application scenario	Status (as of December 31, 2025)	Project duration	Place of implementation	Customer background
Automation of automotive instrument panel assembly line	Assembly; inspection; loading and unloading	Ongoing	–	Chinese Mainland	A company engaged in the manufacturing, R&D and sales of mechanical and electrical equipment
Automotive front-end module assembly and inspection line	Assembly; nailing; inspection	Completed	Six months to one year	Chinese Mainland	A manufacturer of automotive thermal system products, components, and accessories
Automotive radiator automatic unloading, assembly and inspection line	Assembly; inspection	Completed	Six months to one year	Mexico	A manufacturer of heating boilers, radiators and correctors
Intelligent robot automatic assembly and inspection line	Assembly; nailing; inspection	Completed	Six months to one year	Chinese Mainland	A company engaged in R&D of intelligent robots
Motor stator automatic assembly and inspection line	Assembly; nailing; inspection	Ongoing	–	Chinese Mainland	A research institution

In 2023, 2024 and 2025, our revenue from providing robotic solutions was RMB79.2 million, RMB51.1 million and RMB100.0 million, respectively, accounting for 29.7%, 15.7% and 19.2% of our total revenue in the same periods, respectively. We provided robotic solutions to 47, 40 and 43 customers in 2023, 2024 and 2025, respectively.

The following table sets forth certain key operating metrics for our robotic solutions.

	Year ended December 31,		
	2023	2024	2025
Number of customers	47	40	43
Customer retention rate[(1)]	46.8%	60.0%	48.8%
Average customer value[(2)] (RMB in thousands)	1,685.3	1,277.8	2,325.9
Net dollar customer retention rate[(3)]	37.6%	43.1%	55.8%

(1) Customer retention rate for a given period is calculated by dividing the number of robotic solutions customers in the previous period that remain as our customers in the given period, divided by the number of customers in such previous period.

(2) Average customer value is calculated as revenue from the provision of robotic solutions in a given period divided by the number of corresponding customers in the same period.

(3) Net dollar customer retention rate is calculated by dividing the revenue of a current period from robotic solution customers of both current and previous periods by the revenue of the previous period of such robotic solution customers, multiplied by 100%.

Our Product Development Lifecycle and Business Process

Product Development Lifecycle

All of our robotic products are developed under a forward design and validation system and based on our proprietary xCore control system, which together form the core of our product development framework. We adopt a ground-up design philosophy and have established a high-performance, high-reliability design and validation framework. See "—Our Technology Platform—Our ROKAE Robotic Technology Platform." All three of our robotic product lines, comprising industrial robots, flexible collaborative robots and embodied intelligent robots, generally follow a product lifecycle comprising (1) technology and platform pre-research, (2) product design and development, (3) testing and validation, (4) pilot production, (5) batch order delivery, and (6) subsequent iteration or replacement.

For industrial robots, which are mainly deployed in structured manufacturing environments requiring high speed, precision and reliability, our product development activities during the Track Record Period focused on new platform-level models as well as derivative products with different payloads, reach and application configurations. New industrial robot products typically require approximately 12 months from initial design to batch order delivery, while derivative products developed on existing platforms generally require around six months.

For flexible collaborative robots, which are designed for safe human-robot collaboration and flexible production scenarios, product development during the Track Record Period emphasized force control sensitivity, safety functions, ease of deployment and software adaptability. Due to higher requirements for safety validation and system integration, new platform-level collaborative robot products generally have a development cycle of around six to 12 months, while expansion products developed on existing platforms typically require a shorter development cycle.

For embodied intelligent robots, which integrate robot hardware, control systems and application intelligence for more dynamic and less structured environments, product development during the Track Record Period focused on system integration, embodied intelligence capabilities and scenario-based applications. Development timelines vary depending on application complexity, but generally fall within the six- to 12-month range from design to batch order delivery.

Across all product lines, we adopt a structured pipeline beginning with platform technology pre-research to product development, then to batch production. By relying on our xCore control system and our forward design and validation framework, we are able to respond efficiently to evolving customer demand and technological advancement while maintaining product stability and reliability. Following order signing, the typical manufacturing and delivery lead time for our robotic products is approximately five to 12 weeks, depending on product specifications and order volume.

Business Process

The following table summarizes the typical key steps of our business process for robotic products, the main parties involved and the fund flows.

Business Process	Average Timespan	Parties Involved	Fund Flows
• Customer Acquisition	• Two to four weeks	• Sales and Marketing Department • Potential Customers	• No fund flow
• Demand Research	• One week	• Sales and Marketing Department • Potential Customers	• No fund flow
• Designing and Quotation	• Two weeks	• Product Department • Sales and Marketing Department • Potential Customers	• No fund flow
• Order Signing	• One week	• Sales and Marketing Department • Finance Department • Legal Advisors • Customers	• Receive advanced payment and prepayment
• Manufacturing	• Five to 12 weeks	• Procurement Department • Production Department • Quality Management Department • Suppliers	• Payment made to suppliers
• Delivery and Acceptance	• One to two weeks	• Warehousing and Logistics Department • Technical Support Department • Customers	• Revenue recognized upon delivery and acceptance, receive payment according to credit terms
• After-sales Service	• Continuous	• Customer Service Department • Customers	• No fund flow

The following table summarizes the typical key steps of our business process for robotic solutions, the main parties involved and the fund flows.

Business Process	Parties Involved	Fund Flows
• Solution Quotation	• Sales and Marketing Department • Mechanical/Electrical Design Department • Customers	• Receive advanced payment
• Designing	• Sales and Marketing Department • Project Management Department • Mechanical/Electrical Design Department	• No fund flow
• Procurement	• Procurement Department • Finance Department • Suppliers	• Make advanced/progress payment to suppliers
• Assembling	• Project Engineering Department • Mechanical/Electrical Design Department • Quality Management Department • Warehousing and Logistics Department	• No fund flow
• Debugging & Pre-Acceptance	• Project Management Department • Project Engineering Department • Mechanical/Electrical Design Department • Quality Management Department • Customers	• Receive shipment payment
• On-site Installation and Debugging	• Project Management Department • Project Engineering Department • Mechanical/Electrical Design Department • Warehousing and Logistics Department • Customers	• No fund flow
• Final Acceptance	• Project Management Department • Warehousing and Logistics Department • Customers	• Receive acceptance payment • Revenue recognized upon final acceptance
• Project Closeout	• Project Management Department • Finance Department • Suppliers • Customers	• Receive warranty bond • Pay the final installment to suppliers

OUR TECHNOLOGY PLATFORM

Our self-developed ROKAE robotic technology platform, paired with our ROKAE embodied AI model training platform, is the foundation and core technological barriers for our business, which enables us to continue to lead and drive the ongoing innovation of the robotics industry.

Our ROKAE Robotic Technology Platform

Our self-developed ROKAE robotic technology platform primarily comprise our (1) forward design and validation system, (2) xCore control system, and (3) ROKAE+ platform.

Forward Design and Validation System. We employ a ground-up design philosophy that ensures optimal performance, reliability, and innovation from the outset. We establish a high-performance, high-reliability design and validation system for our robots. This system incorporates multi-layered fault tolerance, stringent stability redundancy, and a suite of self-developed simulation and analysis tools (e.g., strength analysis, lightweight design, overload diagnosis, and motion analysis) to guarantee design consistency and durability. Based on this system, we have developed over 100 test protocols that exceed national standards in targeted application, ensuring our robots are built for real-world, high-demand environments. Based on this design validation technology platform, we can compete with global top-tier manufacturers in high-end applications demanding high process quality and cycle times, such as automotive component assembly, photovoltaic wafer insertion, and high-speed, high-precision handling and assembly in 3C, in terms of accuracy and reliability.

xCore Control System. Since our inception, we have been unwavering in our commitment to independent forward design and R&D. We launched our first-generation Titanite control system in 2016, followed by the introduction of the all-new xCore control system in 2021, which has been deployed to customers for ongoing feedback and iterative optimization.

Our xCore control system integrates the following key aspects of control.

- *Motion Control.* Our motion control technology achieves an optimal balance of high speed and high precision, enabling robots to perform complex tasks rapidly and accurately. It is built on expertise in rigid and flexible body dynamic models, integrated into the xCore controller. This enables advanced functions including vibration suppression, high-sensitivity collision detection, installation at any angle, and high-precision payload self-identification. Through deep algorithm-level integration between the controller and servo drives, we realize true drive-control unification. These technologies deliver a high level of performance, evidenced by an absolute accuracy of 0.15 mm across the entire workspace.

- *Force Control.* We use force sensors as feedback devices, combining force feedback signals with input signals like position and velocity, and achieve tactile control of the robot through our self-developed "force-position hybrid algorithm." This technology enables the robot to perceive and adjust its contact force with workpieces, equipment, or the environment more quickly and intelligently, resulting in more sensitive motion control. Based on self-developed high-precision joint torque sensors, servo drives, joint encoders, and high-dynamic joint force control algorithms, the company has developed robot products capable of high-sensitivity collision detection, force-controlled assembly, force-controlled grinding, massage physiotherapy, medical surgery, and other functions, truly meeting industry demands for human-robot interaction and flexible manufacturing.

- *Safety Control.* Our self-developed new-generation safety controller enables real-time safety monitoring without relying on the main controller and possesses collision detection capabilities that are "sensitive yet immune to false triggers," addressing the industry challenge of balancing collision detection sensitivity and robustness. All safety indicators meet the stringent requirements of end-users, effectively ensuring the safety of customer equipment and personnel.

- *Intelligent Control.* We transform complex robotic programming into intuitive, task-oriented operation through advanced AI. Based on multi-modal perception capabilities (vision, force and touch) and VLA large models, and leveraging digital twin technology, embodied AI model, Sim2Real technology, as well as autonomous motion planning and reinforcement learning algorithms, our robots can autonomously perceive, plan, and execute complex tasks. This

intelligence allows robots to overcome common industry challenges such as poor workpiece consistency, difficult manual path teaching, frequent process changes, and high-mix low-volume production. This is proven in applications such as teaching-free welding and autonomous grinding.

Our xCore control system enables system-level integration across our robots. This integration significantly enhances the efficiency of technology iteration, strengthens the scalability of the underlying architecture, improves key product performance metrics, and streamlines deployment and maintenance processes.

ROKAE+ Platform. Our xCore control system also offers standardized interfaces for hardware and process package expansion that enables certified partners to deploy their own solutions on our platform. Partners may reach intent of collaboration with us to develop robotic solutions on our platform. The ROKAE+ platform is an open application development platform established on the software foundation of our proprietary xCore control system. Rather than a standalone robot control system, the ROKAE+ platform is a set of standardized and encapsulated software application programming interfaces (APIs) derived from the underlying xCore control system. Partners may reach intent of collaboration with us to develop robotic solutions on our platform. Under the ROKAE+ platform, we standardize and encapsulate certain underlying control capabilities of the xCore control system into software APIs, together with relevant technical documentation and development tools, and open such APIs to certified partners for secondary development.

The ROKAE+ platform allows us to facilitate innovation for our partners, as our robotic hardware and foundational architecture can seamlessly combine with our partners' specialties in application engineering and technologies. We provide standardized interfaces and a certification process, allowing our partners to develop and deploy their own specialized hardware and application software, much like an app store for robots. Platform partners do not modify the xCore control system itself, but develop application-level software, process packages and solutions based on our robots, robot controllers and the xCore control system for specific vertical application scenarios. Specifically, we offer open interfaces for functions such as motion control and force control, along with a lightweight plug-in architecture. We also provide development tools on our platform, such as software development kits and process packages, that allow our partners to further develop their robots and robotic solutions according to their specific needs.

The xCore control system focuses on core control functions such as motion control, force control, safety management and real-time operation of robots, while the ROKAE+ platform focuses on application expansion and partnership collaboration, extending the application scenarios and commercial value of the xCore control system rather than replacing it. For example. we collaborated with a partner specialized in vision equipment manufacturing upstream in the photovoltaic sector by integrating our visual adaptation interface with the partner's cell layout processes, facilitating a robotic solution with customized vision and process package. This integration reduced photovoltaic cell layout cycle time to five seconds per cycle, and has resulted in enhanced efficiency in production lines in the photovoltaic industry.

To accelerate this innovation, we openly share our library of application knowledge and process data with our partners free of charge, helping to solve the complex final challenges of implementing automation. We select and certify platform partners primarily based on their technical capabilities, industry experience, compatibility with our technical standards and the commercial viability of their proposed solutions, in order to ensure reliability and consistency of applications developed and deployed under the ROKAE+ platform. We further support this community with a robust developer platform complete with technical documentation, forums, and training. To ensure maximum reliability for our customers, our AI Service Agent continuously monitors robot fleets, analyzing operational data to predict and prevent potential failures before they happen, thereby minimizing downtime and protecting productivity.

For application knowledge and data shared on our platform, to which we retain full intellectual property ownership, we have adopted a set of internal policies to protect our intellectual property rights and trade secrets against imitation and infringement. Specifically, we have established a specialized working group to manage and monitor our daily intellectual property-related operations. Our specialized working group ensures the timely registration and filing of our intellectual properties, as well as the proactive tracking of the registration and licensing status of our intellectual property rights in order to promptly take actions upon identifying any potential infringement.

Our ROKAE Embodied AI Model Training Platform

We have developed our embodied AI model training platform, which is a system that spans from basic automation to artificial general intelligence. We have adopted a dual-track strategy that combines layered architectures and end-to-end approaches to enable full spectrum sensory perception, including force, vision and positioning, as well as advanced compliant interaction. By developing and training specialized operational skill models based on the existing open-source model architectures, we enhance the existing robotic applications, address challenges in robot deployment, and rapidly expand the application scenarios for our robots. Enhanced by this AI foundation, our robots deliver reliable execution, intelligent decision-making, and heightened adaptability across diverse and complex application scenarios.

Our ROKAE embodied AI model training platform is validated through large-scale industrial deployments across sectors such as consumer electronics, new energy, computing infrastructure, and heavy machinery. The platform enables micro-Newton-level force control, sub-millimeter 3D vision, and a multi-modal model training architecture to reduce assembly defects, lower labor costs, and shorten return on investment periods. Building on this momentum, we expect our platform to serve over 20 leading industry customers by the end of 2026. We also hold more than 20 core patents and have contributed to a national standard initiative. According to the CIC Report, our market position in the embodied intelligent robotic arms industry represents competitive performance. In addition, our open platform architecture further empowers third-party developers, enabling rapid expansion of available applications. Together, these strengths position our platform as a key driver of intelligent transformation in industrial automation.

APPLICATIONS OF OUR ROBOTICS OFFERINGS

Our robotics offerings are applied across diverse application scenarios, including manufacturing, commercial services and healthcare sectors. The following table sets forth a breakdown of our revenue by application scenarios of our robotics offerings for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(RMB in thousands, except for percentages)					
Manufacturing sector	223,613	83.7	294,716	90.6	473,848	90.8
General manufacturing	118,683	44.4	157,317	48.4	299,226	57.3
3C electronics	51,079	19.1	102,085	31.4	113,575	21.8
Automotive	53,851	20.2	35,314	10.8	61,047	11.7
Commercial services sector	–	–	689	0.2	27,282	5.2
Healthcare sector	15,651	5.9	5,794	1.8	6,655	1.3
Others[(1)]	27,761	10.4	24,058	7.4	13,962	2.7
Total revenue	**267,025**	**100.0**	**325,257**	**100.0**	**521,747**	**100.0**

(1) Others comprise the education, scientific research and agriculture sectors.

Manufacturing Sector

Our robots and robotic solutions are widely deployed across diverse manufacturing application scenarios, including general manufacturing, 3C electronics and automotive.

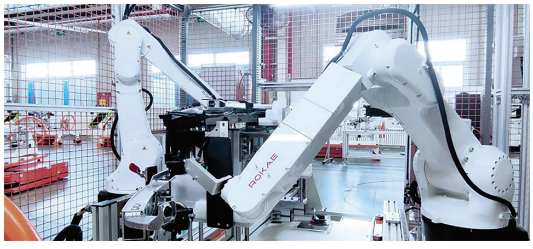
- *General manufacturing*. Designed to perform reliably in harsh environments, including heavy dust, moisture, and high temperatures, our products exhibit outstanding capabilities in applications such as casting, loading and unloading, deburring, welding, as well as sorting, packaging and restocking in warehousing settings. Leveraging our advanced robotics technology, design and manufacturing process, we significantly improve operational efficiency and economic value, helping customers across industries establish a new benchmark for skilled labor replacement.

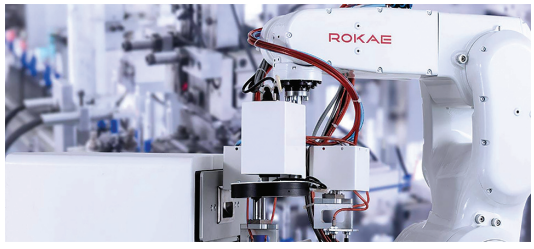
  In addition, we have extended our capabilities to address the evolving needs of new energy manufacturing, particularly in the photovoltaic sector. Through specialized reliability designs and dedicated process packages, our robots effectively tackle key challenges such as oil leakage, fragment handling and positioning errors, while simplifying commissioning and improving usability. We have established close partnerships with leading photovoltaic enterprises across cell and module production.

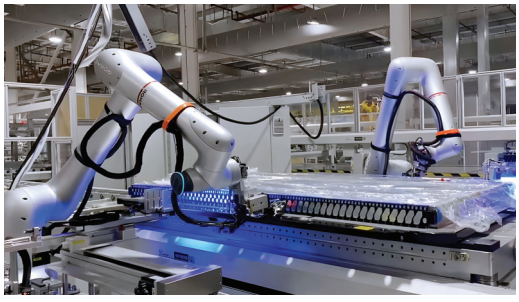
- *3C electronics*. Our products are known for their precision, speed, and efficiency. Their compact and lightweight characteristics make them ideal for flexible production setups, greatly improving product quality and consistency while delivering substantial productivity. Our robotic products are widely deployed across multiple manufacturing processes, including loading and unloading, inspection, handling and dispensing.

- *Automotive*. We have established a strong presence in the automotive sector by delivering customized automation equipment, end-to-end solutions, and production line planning services tailored to specific customer processes and requirements. Our robots are widely applied in scenarios such as adhesive dispensing for automotive components, deburring and polishing, laser welding, dispensing and screw fastening.

The following diagram illustrates examples of application of our robots and robotic solutions in the manufacturing sector.







Commercial Services Sector

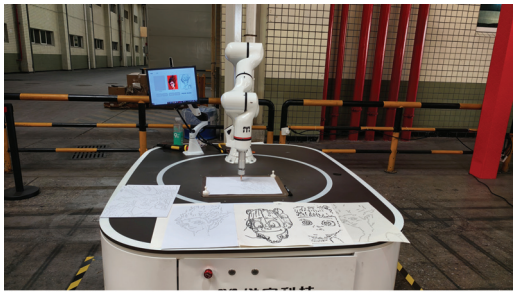
In the commercial services sector, we apply our robots and robotic solutions to enhance operational efficiency and consistency. As consumer demand continues to evolve, emerging scenarios such as unmanned dessert stations, automated vending machines, smart dining, and cashier-less retail stores are gaining popularity. These trends reflect a broader shift toward "unmanned and intelligent" operations, which are rapidly shaping the future of commercial services. Our flexible collaborative robots offer intuitive usability and adaptability. They are suitable for diverse and personalized service tasks, unlocking new possibilities for innovation and growth in the commercial services sector.

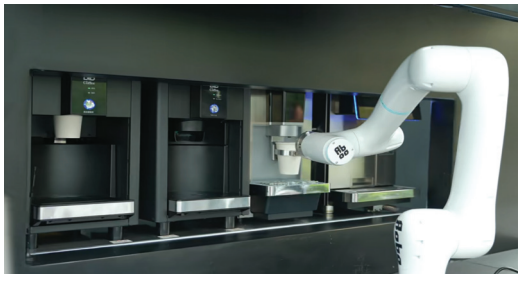
- *Unmanned retail and smart dining*. Integrated with automated distribution systems, our robots can perform end-to-end operations such as coffee-making, meal retrieval, beverage preparation, and dessert distribution. This addresses the challenges of difficulty in maintaining serving speed during peak hours and poor flavor consistency.

- *Embodied intelligent robot interactive grasping*. Leveraging our embodied AI model, advanced vision technology, and dexterous robotic arms, our embodied intelligent robot demonstrates strong autonomous task decomposition capabilities, real-time decision-making, and millimeter-level high-precision operation. They can understand natural language instructions and independently execute intricate and complex tasks, achieving recognition and grasping of diverse objects.

- *Intelligent painting*. By integrating robotics with vision technology and continuously optimizing paths through motion algorithms, our robots can achieve precise and smooth painting motions. Each axis of the robot is equipped with built-in high-precision torque sensors, combined with highly sensitive collision detection, ensuring safer human-robot collaboration. The robot is designed to significantly reduce its spatial footprint, making it easier to deploy and relocate, while enabling close-range interaction.

The following diagram illustrates examples of application of our robots and robotic solutions in the commercial services sector.





Healthcare Sector

In the healthcare sector, primarily including elderly care and physical rehabilitation, our robots and robotic solutions are increasingly adopted to support precision tasks and improve service quality. The persistent progression of population aging is expected to intensify the shortage of medical personnel and drive urgent demand for high-quality healthcare services. In this context, robots are expected to be adopted increasingly to support precision tasks and reduce repetitive workloads for medical staff. Our robotic products provide safe, efficient, and highly accurate solutions for the healthcare industry.

- *Intelligent rehabilitation services.* Leveraging human-arm-like compliant control and force sensing, our robots enable personalized training in rehabilitation centers, addressing the challenges of difficulty in maintaining long-term stability in rehabilitation movements and insufficient treatment consistency due to high physical exertion.

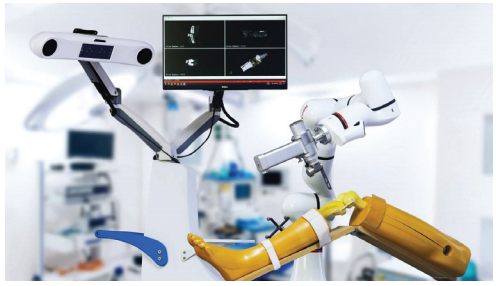
- *Joint replacement surgery.* Utilizing optical tracking, our robot locates the surgical site and aids the doctor in achieving precise alignment. Based on the robot's positioning, the doctor can complete the procedure efficiently. With seven degrees of freedom and an integrated body controller design, our robot features high dynamic force control technology for rapid response to commands and smooth operation. Paired with highly sensitive drag-guided technology, it allows the doctor to operate the robot with ease. Additionally, its core virtual wall and laser tracking technologies enable more accurate tracking and positioning of the surgical site. This addresses key challenges, including the inability of the human hand to maintain stability for extended periods, making it difficult to ensure cutting precision, the high physical demands of surgery, low efficiency of manual assistance in positioning, and difficulties in coordination. Furthermore, the robot complies with IEC 60601 and GB 9706 certifications and is finished with medical-grade matte coating, meeting the stringent requirements of the medical industry.

- *Tumor puncture surgery*. Equipped with high-dynamic full-state feedback force control, sensitive collision detection, and virtual wall technology, our robot can monitor external forces in real time, automatically avoid critical organ areas, and ensure surgical safety. With a repetitive positioning accuracy of up to ±0.02 mm, it automatically tracks puncture targets, eliminating the need for repeated tumor localization via real-time imaging and reducing procedure time. Supported by multi-modal image fusion technology, it enables objective and precise tumor puncture procedures. As a result, our robot helps minimize additional incisions and accelerates postoperative recovery.

- *Remote ultrasound diagnosis and treatment via teleoperation*. Utilizing teleoperation technology, our robot is remotely controlled to perform ultrasound examinations on patients. Leveraging its high-precision motion replication, accurate force feedback, and safety features, our robot reduces the impact of geographical distance in medical diagnostics and enables remote consultations by specialists. This helps address the shortage of expert diagnostic resources in some primary healthcare institutions.

- *Ward inspection*. Our robot equipped with a stethoscope/ultrasound probe, can enter patient rooms to perform remote examinations and diagnostics on behalf of doctors. Its multi-dimensional force feedback teleoperation system replicates the tactile sensations of physical examinations, allowing physicians to remotely control the robot with precision. This reduces workload pressures and addresses the growing demand for diagnostic resources in primary healthcare settings.

The following diagram illustrates examples of application of our robots and robotic solutions in the healthcare sector.



RESEARCH AND DEVELOPMENT

We have built a platform that fully integrates technology, products and applications. The foundation of our platform is our proprietary robot design technology, powered by our self-designed xCore control system and our embodied AI model training platform, which adds advanced AI capabilities in terms of multimodal perception, adaptive decision-making and real-time motion control to our robotic offerings.

Our R&D Strategies

We execute our R&D efforts primarily through in-house activities, which focus on the development and enhancement of the core technologies for robotics, which we have established significant expertise since our inception in 2015. We have targeted our R&D efforts at enhancing our robot body design and developing embodied intelligence and perceptual interaction, which will serve to advance our robots from mere execution tools to true intelligent partners.

During the Track Record Period, we recorded research and development expenses of RMB59.4 million, RMB54.2 million and RMB65.5 million, respectively, representing 22.2%, 16.7% and 12.6% of our revenue for the same periods, respectively. Our research and development expenses decreased by 8.7% from RMB59.4 million in 2023 to RMB54.2 million in 2024, primarily due to the decrease in our materials and consumables expenses, which decreased by 39.1% from RMB10.4 million in 2023 to RMB6.3 million in 2024. We scaled back in the procurement of materials and consumables in 2023 and 2024, as a result of our efforts in refining our material management for R&D prototypes. Specifically, we reduced waste from stagnant materials used in the R&D phase of our robots and lowered the overall R&D material costs. Our research and development expenses increased by 20.8% from RMB54.2 million in 2024 to RMB65.5 million in 2025, primarily due to the increase in employee benefit expenses, mainly driven by the increase in the headcount of our R&D personnel. The percentage of employee benefits and expenses continued to increase during the Track Record Period, accounting for 69.0%, 72.7% and 73.7% of our total research and development expenses in 2023, 2024 and 2025, respectively, as we increased our investment in our R&D staff.

During the Track Record Period and as of the Latest Practicable Date, we had not encountered any legal claims or proceedings that may have an influence on the R&D for our robotic products and robotic solutions.

Key Research Projects

Below sets forth some of our key research projects as of the Latest Practicable Date.

NB8 series. NB8 is a high-speed, high-precision desktop six-axis robot designed for 3C, automotive electronics, PCB, and biopharmaceutical applications. Featuring a new magnesium-aluminum alloy material, it achieves great body-to-payload weight ratios. Paired with an integrated drive-control cabinet and the new generation xCore control system, it delivers leading performance metrics in speed and precision. Our NB8 series is under the planning phase, expected for commercialization in 2026.

NB300 and NB500 series. NB300 and NB500 are heavy-payload industrial robots developed for the automotive and new energy sectors, with a payload capacity ranging from 300 kg to 500 kg. Both robots feature a new, independently developed transmission structure and are equipped with an integrated drive and control cabinet for heavy-payload robots, along with the xCore control system. Together, they are designed to address the full-process robotics demands of automotive welding, final assembly and new energy lithium battery manufacturing. Commercialization is expected by the end of 2026.

xCore3.2. Our xCore3.2 control system upgrade is aimed at refining the process packages for automative, 3C electronics and lithium battery application scenarios, as well as enhancing performance in speed and precision from the last iteration. The new generation control system began commercialization in December 2025. In 2026, development will begin on the next major upgrade, xCore 4.1, which will support automotive applications including spot welding, arc welding, adhesive dispensing, grinding and laser processing.

Intelligent welding robot technology. The intelligent welding robot is designed for welding applications in the steel structure, shipbuilding and construction machinery industries. Leveraging autonomous visual recognition and self-planning capabilities, it achieves fully autonomous intelligent robotic welding. The system began batch deployment with leading industry customers in March 2026.

Full-torque humanoid arm. Our full-torque humanoid arm R&D project encompasses the humanoid sensitive torque controlled actuator series of modular joints and the AR series, featuring full-torque control, high power density, and lightweight design. This product line seeks to establish industry standards for joint and arm products and will support the large-scale industrialization of embodied intelligence robots. Our full-torque humanoid arm has entered the mass production phase and begun commercialization in April, 2025. In mid 2026, we expect to begin mass production and batch sales of the new AR3 and AR10 force-controlled humanoid arms, as well as the full HSA series of force-controlled joint modules for humanoid arms.

Intelligent wheeled robot. Our intelligent wheeled robot R&D project focuses on the development of an adaptable wheeled mobile dual-arm robot and control system for the manufacturing and commercial service application scenarios. The product aims to achieve generalization skills in robotic mobility and operations via having robots complete autonomous and versatile tasks, in order to replace human labor at a larger scale. Our intelligent wheeled robot has been launched and begun commercialization in July 2025.

Embodied intelligence system. Our embodied intelligence system R&D project aims to address two "last-mile" challenges in unmanned factories: warehouse material picking and production line assembly operations. The project seeks to establish a closed-loop platform that spans across the data collection, model training and deployment technology chain, by integrating the vision-language action model and hierarchical model architecture. Our embodied intelligent system is under the planning phase, with the core technologies validated, and is expected for commercialization in mid 2026.

Our R&D Team and Core Members

Our in-house R&D team includes in-house scientists, engineers and other experts in the robotics industry. As of December 31, 2023, 2024 and 2025, our R&D team consisted of 92, 105 and 157 employees, respectively, accounting for 22.8%, 22.2% and 25.5% of our total number of employees in the same periods, respectively. Our R&D team consisted of a total of 233 employees as of the Latest Practicable Date, and is led by six core members.

The following table sets forth the details of our core R&D members.

Core R&D members	Profile
Mr. Tuo Hua	Mr. Tuo is our founder, executive Director, chairman of the Board and general manager. He holds a master's degree in electronics and communications engineering from Peking University and is pursuing his Ph.D. from Harbin Institute of Technology. Mr. Tuo has over fifteen years of R&D experience in software development, system development and control algorithms related to the robotics industry. He has developed a number of industrial robots that are widely used in the fields of handling, sanding, quality control, assembly. Mr. Tuo owns 111 robotics-related invention patents.
Dr. Wang Hao	Dr. Wang Hao is the executive Director and deputy general manager of our Company. He holds a bachelor's degree in automation science and electrical engineering and a Ph.D. in mechanical electronics engineering from Beihang University. During his doctoral studies, Dr. Wang conducted academic research in mechanical engineering at Purdue University in the United States. He is primarily responsible for the development of the XB series and collaborative series of robots, production process technology management, quality management for the company's robots and integrated automation projects, ISO9001 quality system management, as well as application technology development and promotion in areas such as grinding, polishing, gluing, deburring, and laser cutting.
Mr. Yu Wenjin	Mr. Yu Wenjin is the deputy general manager of our Company and general manager of the R&D center. He holds a bachelor's degree in aircraft design and engineering and a master's degree in aerospace science and technology from Harbin Institute of Technology. With years of experience in fundamental research on spacecraft and robot dynamics and control, as well as over a decade of experience in collaborative robot R&D, Mr. Yu led the development of China's first flexible collaborative robot, which has been deployed in medical, industrial, and commercial service applications. He leads and is responsible for the overall planning, operation, and management of the R&D center and the collaborative robot product line.

Core R&D members	Profile
Mr. Zhang Lei	Mr. Zhang Lei is the executive Director, general manager of the production and operations center, and general manager of the industrial product line. He holds a bachelor's degree in mechanical engineering and automation and a master's degree in mechanical engineering from Beihang University. With over ten years of experience in industrial robot product design and development, he is responsible for product planning, development, and lifecycle management of the industrial robot product line. He holds multiple invention patents and has published articles in the field of industrial robotics.
Dr. Wang Shaofei	Dr. Wang Shaofei is the deputy general manager of our Company and general manager of our Japan subsidiary. He holds a bachelor's degree in electronic information engineering from Chongqing University of Technology, a master's degree in signal and information processing from Chongqing University of Technology, a master's degree in electronic information system from Yamaguchi University, Japan, and a Ph.D. in mechano-micro engineering from Tokyo Institute of Technology. He is currently pursuing a second Ph.D. in communication and sensing at Waseda University, Japan. He has led the development of new models of medium and heavy-duty industrial robots, including the NB series.
Mr. Yuan Shuning	Mr. Yuan Shunning is the deputy general manager of the R&D center. He holds a bachelor's degree and a master's degree in aircraft design and engineering from Beihang University. With over ten years of experience in product design and development of robot control systems, Mr. Yuan has participated in and led the planning, development, and production cycle management of multiple products, including, among others, the Titanite Control System and xCore control system. He holds multiple invention patents and has published articles in the fields of robot control and machine vision.

We retain key management and technical staff with competitive remuneration packages and welfare benefits. We also invest in continuing education and training programs to upskill our key management and technical staff. In the event of termination of employment requested by a key staff, we closely communicate with the staff for the reason of departure and feedback for us. We will also assess the potential risks to our operations associated with their departure. In the event of the departure of any of key management or technical staff, we ensure to promptly fill any vacancies by selecting, reassigning, or externally recruiting outstanding talent to maintain stability in our R&D team and processes. Moreover, we have adopted a set of backup measures to help mitigate any risk relating to disruption to our R&D. All department managers and executives, upon completing one year in their role, must identify candidates as successors for their positions. These backup talents will then receive targeted training and undertake development programs. We also recruit candidates with relevant knowledge and skills by online recruitment, campus recruitment and internal referrals, among others, to avoid the negative impact that could be caused by attrition.

The salient terms of agreements with management and technical staff are set out below.

No conflict. During the employment, the employee shall not engage in any other job, whether full-time or part-time, without our written consent.

Non-competition. We have entered non-competition agreements with employees who have access to our core technologies or business secrets, stipulating the scope, region, duration, and economic compensation standards for the employees' non-competition obligations. During the term of employment and the non-competition period initiated by us, the employee shall not engage in any competitive behavior.

Confidentiality. During the employment, the employee shall not, without our prior written consent, disclose, divulge, announce, publish, impart, transfer or otherwise make known to any third party, or in any way use any information, such as technical and trade secrets, belonging to us or belonging to any other party for which we have a duty of confidentiality.

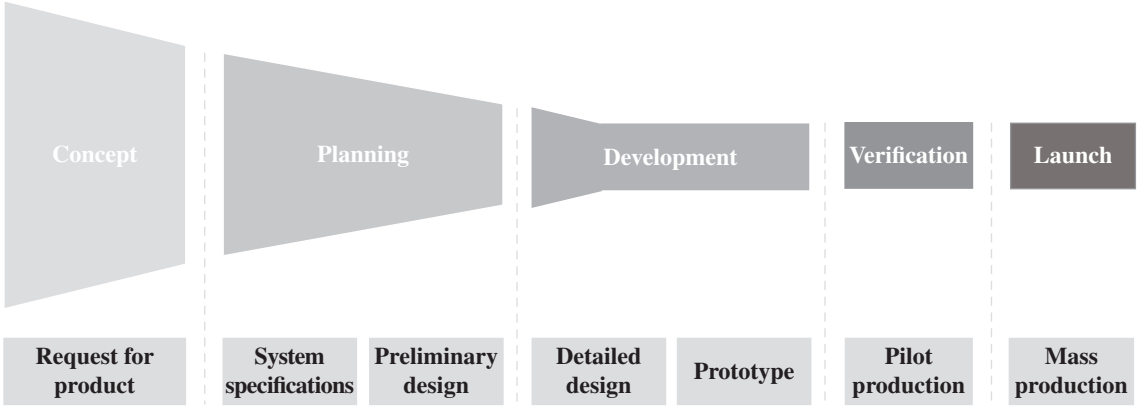
Non-solicitation. During the employment and for up to two years thereafter, the employee shall not, directly or indirectly, solicit or attempt to solicit our current and former employees to leave their employment or solicit or otherwise influence our relationships with our customers or suppliers.

Inventions arrangement. We own all rights, titles and interests (including patent rights, copyrights, trade secret rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), designs, know-how, ideas and information made, conceived or reduced to practice, in whole or in part, by the employee during the term of the employment contract to the fullest extent allowed by applicable laws, and the employee shall promptly disclose all inventions to us.

Proprietary information arrangement. All inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) the employee develops, learns or obtains during the term of the employment contract that relate to us or our business or demonstrably anticipated business, or that are developed in whole or in part during the employment or using our equipment, supplies, facilities or confidential information, or that are received by or for us in confidence, constitute proprietary information. The employee shall hold in confidence and not disclose or, except within the scope of the employment, use any proprietary information. The employee shall maintain confidentiality obligations indefinitely after the expiration or termination of employment until we declares such information declassified or that such information becomes publicly available. The expiration or termination of the employment agreement shall not release employees from the continued confidentiality obligations.

Our R&D Process

Our R&D process involves a framework in which factors such as customers demand, feasibility analysis, technology developments and application scenarios are taken into consideration. The diagram below sets out the principal steps which we generally follow in our research and development process.



Our R&D process mainly includes (1) conceptual stage, (2) planning stage, (3) development stage and (4) verification and commercialization stage.

Conceptual stage. Conceptual stage includes the preparatory stages from demand planning to project establishment. In this stage, our product planning department conducts demand research and data analysis as well as market and technical feasibility analysis, and submits relevant research and development project establishment application for management's review.

Planning stage. Planning stage includes the stages from system requirements defining to review of system and design summary. In this stage, our research and development department breaks down the system requirements in detail based on the information submitted by the product planning department in the conceptual stage, and completes summaries of design document for each module, including structure, components, software and algorithm, among others, to determine the technical benchmark for the entire product development.

Development and testing stage. Development and testing stage includes the stages from detailed designing to prototype testing review. In this stage, our research and development staff carry out detailed designing based on summaries of design document for each module from the planning stage. After a review for detailed designing process, we arrange proofing for sample components, and use those components to assemble prototype. At the same time, the testing department specifies the system testing specifications to test and verify the prototype.

Verification and launch stage. Verification and launch stage includes the stages from trial production review to commercialization. During the trial production review, we determine whether to carry out small batch trial production of relevant products. Based on the trial production results, we further determine whether to proceed with mass production, which represents the commercialization of relevant products.

As of the Latest Practicable Date, we had not in-licensed any material intellectual properties, outsourced any R&D process to, or undertaken any R&D in collaboration with external third parties.

INTELLECTUAL PROPERTY RIGHTS

We believe that our intellectual property rights are critical to our continued success. We have taken the following key measures to protect our intellectual property rights, including: (1) implementing a set of internal policies to establish robust management over our intellectual property rights, (2) establishing an intellectual property task force to guide, manage, supervise and monitor our daily work regarding intellectual properties, (3) timely registration, filing and application for ownership of our intellectual properties, (4) actively tracking the registration and authorization status of intellectual properties and take action in timely manner if any potential conflicts with our intellectual property rights are identified, and (5) clearly stating all rights and obligations regarding the ownership and protection of intellectual properties in the employment agreements we enter into.

As of the Latest Practicable Date, we owned 186 registered patents, including 93 invention patents, 64 utility model patents and 29 design patents, and filed 43 patent applications which were pending approval. Except for five utility model patents, which are owned jointly by us and a third party, we owned all of our intellectual properties as of the Latest Practicable Date. The following table sets forth certain invention patents registered in China in connection with our core technologies which we consider to be material to our business.

Patent name	Application Date	Patent number	Core technology involved	Major function
A Functional Safety Hardware Architecture for Collaborative	July 4, 2023	2023108084413	Robot Functional Safety Technology	Ensures fail-safe operational control for industrial machinery through a proprietary, redundant architecture with continuous cross-verification
An External Force Observation Method Based on Joint Torque Sensors	March 3, 2021	2021102329259	Robot Force Control Technology	Enables real-time robotic force perception through direct torque sensing, ensuring precise and safe environmental interaction
A Search Assembly Method Combined with Force Control	August 2, 2019	2019107139802	Robot Force Control Technology	Enables robust and damage-free robotic assembly of precision parts through adaptive force control that automatically searches for and corrects misalignments
A Robotic Arm Trajectory Planning Method Based on Robust Constraint Control.	March 23, 2022	2022102849101	Robot Planning Technology	Ensures predictable robotic arm performance under real-world conditions by using a robust control model that actively accounts for constraints and disturbances
A Straight-Line Transition Path Generation Method with Minimum Curvature	March 16, 2022	202210256214X	Robot Planning Technology	Optimizes robotic motion speed and smoothness by generating high-acceleration, low-vibration transition paths, directly boosting production efficiency
A Joint Vibration Suppression Method Based on Iterative Learning Control and Input Shaping Technology	January 31, 2018	2018100978239	Robot Control Technology	Enables exceptionally fast and precise robotic motion by combining iterative learning with input shaping to actively cancel vibrations, maximizing productivity without sacrificing accuracy
A Spatial Trajectory Smoothing Method Based on Speed Optimal Control	August 12, 2015	2015104931011	Robot Planning Technology	Optimizes robot movement paths for maximum speed and smoothness, ensuring precise control and reducing operational vibration
A High-Precision Control Device and Method for Industrial Robots	May 25, 2018	2018105155577	Robot Control Technology	Achieves high-precision robotic control by dynamically calibrating friction and motion parameters in real-time, ensuring accurate performance for precision tasks
A High-Precision Robot Assembly Method Based on Visual Serving	February 8, 2021	2021101705832	Robot Vision Technology	Enables high-precision robotic assembly using visual feedback to automatically correct positioning errors in real-time, ensuring accurate part placement

Patent name	Application Date	Patent number	Core technology involved	Major function
A Hybrid Control Method for Single Joint of Robots	August 12, 2022	2022109649623	Robot Control Technology	Optimizes robotic joint control by dynamically adjusting for physical forces and feedback errors, ensuring stable and precise movement
A Robot Model Information Identification Method	March 3, 2021	2021102329494	Robot Control Technology	Automatically calibrates a robot's internal physics model to account for real-world factors like joint flexibility, enabling more precise and stable control
A Method for Adjusting Gear Backlash of Robot Joints and Between Joints	March 10, 2022	2022102289788	Robot Mechanical Design Technology	Simplifies gear backlash adjustment in robot joints using pre-loaded wave springs, ensuring precise movement with minimal maintenance
A Zero-Point Calibration Structure and Calibration Method for Industrial Robot Joints	March 23, 2020	2020102101021	Robot Mechanical Design Technology	Uses a simple pin to quickly find and set the robot's zero position, ensuring accurate and repeatable calibration
A Method for Solving Circular Arc Trajectories in Industrial Robots Based on Spatial Analytic Geometry	March 16, 2016	2016101514942	Robot Planning Technology	Enables smooth arc motions by automatically computing optimal paths from three taught points
A Method for Solving Compound Constraints of Industrial Robot Operating Space Paths	March 15, 2016	2016101469400	Robot Planning Technology	Optimizes robot motion by automatically calculating and applying combined physical limits from joints, motors, and workspace constraints
An Online Trajectory Planning Method and Device for Industrial Robots Based on Variable-Structure Filters	December 24, 2020	2020115525135	Robot Planning Technology	Dynamically adjusts robot motion in real-time to follow desired speed profiles while respecting all physical constraints.
A Robot Attitude-Smoothing Path Generation Method Based on Spline Curves	December 25, 2018	2018115926824	Robot Planning Technology	Generates smooth robot orientation paths using spline interpolation to ensure fluid motion with minimal computational load
A Collaborative Planning Method for Industrial Robots and Guide Rails	April 17, 2017	2017102503988	Robot Planning Technology	Synchronizes robot and rail motion through unified path planning, enabling efficient large-scale automation with high performance and scalability
An S-Curve Stopping Profile Speed Rule for Non-Zero Initial States and Its Online Solving Method	July 28, 2017	2017106290406	Robot Planning Technology	Enables smooth and immediate robot emergency stops from any speed by generating real-time S-curve deceleration profiles
An Efficient Online Generation Method for Time-Optimal Trajectories	July 26, 2022	2022107852810	Robot Planning Technology	Generates time-optimal robot trajectories in real-time by converting path constraints into a simplified one-dimensional planning problem

As advised by our PRC Legal Advisor, pursuant to the Patent Law of the People's Republic of China (中華人民共和國專利法), an invention patent registered in China is valid for a term of 20 years from the date of filing of the application for the patent, an utility model patent registered in China is valid for a term of 10 years from the date of filing of the application for the patent, and a design patent registered in China is valid for a term of 15 years from the date of filing of the application for the patent. Despite our precautions, however, third parties may obtain and use our intellectual property without our consent. Unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights from such unauthorized use may adversely affect our business and results of operations. See "Risk Factors—Risks Relating to the R&D and Intellectual Property Rights of Our Products and Solutions." Our Directors confirm that we did not have any material disputes or any other pending material legal proceedings of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date.

OUR SALES NETWORK

We have built up a customer base in Chinese Mainland and overseas across over 40 countries and regions. We sell our robots and related robotic solutions through primarily direct sales, and to a lesser extent, sell our robots to distributors. Our major customers are primarily engaged in manufacturing hardware, industrial equipment and components, as well as the provision of system integration services.

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by sales model for the periods indicated, all in absolute amount and as a percentage of our total revenue.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Direct sales	246,763	92.4	271,308	83.4	460,700	88.3
Distributorship	20,262	7.6	53,949	16.6	61,047	11.7
Total	**267,025**	**100.0**	**325,257**	**100.0**	**521,747**	**100.0**

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	(RMB in thousands, except for percentages)					
Direct sales	41,422	16.8%	66,106	24.4%	106,343	23.1%
Distributorship	3,633	17.9%	13,298	24.6%	14,097	23.1%
Subtotal	**45,055**	**16.9%**	**79,404**	**24.4%**	**120,440**	**23.1%**
Less: write-down of inventories	(14,484)		(8,212)		(6,272)	
Total	**30,571**	**11.4%**	**71,192**	**21.9%**	**114,168**	**21.9%**

During the Track Record Period, our direct sales team sold both robotic products and robotic solutions. In general, robotic products are relatively higher-margin, standardized products, whereas robotic solutions are relatively lower-margin and customized in various degrees. In contrast, our distributors focused exclusively on selling robotic products, resulting in a relatively higher gross profit margin for the distributorship channel compared to the direct sales channel.

Direct Sales

We had 550, 776 and 1,116 direct sales customers in 2023, 2024 and 2025, respectively. Our direct sales customers mainly comprise enterprise customers in the manufacturing, commercial services and healthcare sectors. We also sell robots to system integrators, which incorporate our robots into their own automation solutions. In 2023, 2024 and 2025, the revenue generated from direct sales was RMB246.8 million, RMB271.3 million and RMB460.7 million, respectively, representing 92.4%, 83.4% and 88.3% of our total revenue in the same periods, respectively.

We directly manage our direct sales force as we consider them as our key way to build our brand image by interacting, introducing and demonstrating the features of our products and solutions directly to our customers. Our sales team, which consisted of 136 members as of the Latest Practicable Date, is equipped with knowledge of our products and solutions and is primarily responsible for frequently communicating with our customers and understanding their feedback on the quality, preferences, improvements and market demand of our products and solutions. They play an important part in the planning, development and implementation of our planned marketing strategies. To encourage and incentivize our direct sales force, we have implemented a compensation structure that includes a fixed component as well as a performance-based component and also set performance targets for our sales team.

Principal terms of sales agreements with direct sales customers

We typically enter into sales agreements with our direct customers. The following paragraphs set forth a summary of the salient terms of our arrangements with direct sales customers.

Product details. Our sales to our direct sales customers are primarily case-by-case and our contracts are drafted for each purchase of our robotic products or other accessories by our direct sales customers. We are required to supply the purchased products within the time period indicated in our contract with our direct sales customers or we may face material punishment of contract depending on the content of the original agreement.

Product specification. Our customers typically set forth specific product specification requirements for the products ordered, including the type and specific model of our robotic product, additional components of the model purchased if applicable, number of products, price per unit and the total price.

Product delivery and transfer of liability. Typically, we are responsible for delivering products to the customer's designated location and may be liable for damages to the products caused during transportation. Liability passes to our direct sales customers once the products have been delivered to their specified location.

Pricing policy. We sell our products to direct sales customers according to the terms of the agreements.

Payment term. We typically require payment in two installments: an initial 50% of the purchase amount is paid upon signing the contract, followed by the second half of the purchase amount upon the receipt of the ordered products.

Credit term. We typically offer a credit period up to 180 days to our direct sales customers.

Supporting services. We are responsible for providing supporting services to the direct sales customers. We provide two days of free domestic in-person training services to our customers after the acknowledgment of receipt and are responsible for the installation and the commission of our robotic products.

Product warranty, return and exchange. Our direct sales customers are required to verify the products received and provide receipt confirmation within three business days. Our product warranty period is generally 12 months and begins on the day of arrival at the delivery location. If our direct sales customers receive defective products that malfunction due to flaws in materials, design, or workmanship, we shall replace the faulty items free of charge or provide repairs at no cost.

Confidentiality. Each party shall not disclose the content of the contract, disseminate confidential information including but not limited to our trade secrets, blueprints, product specifications and user information and further distribute or sell our products without consent.

Intellectual property rights. We retain complete ownership to all intellectual property rights to any work products generated during the performance of our sales contract. Our direct sales customers are restricted from transferring any information relating to intellectual properties to third parties.

Termination. Generally, the contract can be terminated upon mutual agreement. If either party cancels the agreement unilaterally, it may be subject to termination fees.

Distributors

We selectively engage distributors to market our robots. We leverage their experience and knowledge of the target markets as well as their existing sales network and resources. This approach allows us to expand our market reach over a wider geographical area and achieve deeper market penetration than if we had relied solely on direct sales and marketing. This strategy also helps us avoid substantial sales and marketing costs, create synergy with our products and solutions, expand our industry presence, and enhance our brand recognition. As of December 31, 2023, 2024 and 2025, we engaged 33, 55 and 43 distributors, respectively. In 2023, 2024 and 2025, the revenue generated from our distributors was RMB20.2 million, RMB53.9 million and RMB61.0 million, respectively, representing 7.6%, 16.6% and 11.7% of our total revenue in the same periods, respectively. According to the CIC Report, the engagement of distributors for the sales of robotic products is industry norm in the robotics industry.

We select new distributors throughout the year and conduct annual assessment of existing distributors. We have implemented rigorous selection criteria for new distributors to ensure that they are well equipped to represent our brand and promote our products. We also conduct a stringent annual assessment to review our business relationships with existing distributors. Our primary evaluation criteria, among others, are the actual annual purchase amount as well as advertising and marketing activities. During the Track Record Period, we terminated cooperation with certain distributors primarily due to (1) their inability to meet certain agreed-upon sales targets, and (2) instances of cross-regional sales which caused disruptions in our pricing system. Meanwhile, we also terminated distributors as a result of strategic adjustments to our sales channels to enhance cost-effectiveness. In 2025, we terminated relationships with 19 distributors that were in areas of low-efficiencies, and prioritized collaborations with distributors that may help to facilitate our expansion into new application scenarios. In 2023 and 2024, the amount of non-recurring historical sales from distributors was RMB0.1 million and RMB0.7 million, respectively, which were immaterial compared to our total revenue generated from distributors in the same periods.

Our relationship with distributors is categorized as seller-buyer relationships, as they buy out our products from us and then resell the products to the end customers. We recognize sales revenues from distributors when the control over our products is transferred to such distributors. We generally allow returns and/or exchanges for limited circumstances, such as quality defects or damages during transportation. Our return policy is generally in line with common industry practice, according to the CIC Report. Our distributors are not allowed to sub-distribute our products to other parties without our prior consent. We offer sales discounts to our distributors on a case-by-case basis, taking into account of annual sales volume. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any sub-distributors of our products.

We have implemented internal control measures to prevent channel stuffing. Specifically, we do not allow our distributors to proactively stock our products, and we regularly track our distributors' inventory and sales progress through phone calls, emails, and on-site visits.

The following table sets forth the key metrics of our distributors for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the year	13	33	55
Number of new distributors	22	26	7
Number of terminating distributors	(2)	(4)	(19)
Number of distributors at the end of the year	33	55	43
Distributor retention rate[(1)]	84.6%	87.9%	65.5%

(1) Calculated by dividing the number of distributors retained in both current and previous periods by the number of distributors at the end of the previous period, multiplied by 100%.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were independent third parties with no other relationship with us, except for one distributor held by our former employee as to 30%. To the best of our knowledge, except for the business relationship with us pursuant to the distribution arrangements, there is no other relationship between the distributors and each of our Company, our subsidiaries, our Shareholders who own 5% or more of our total issued Shares, Directors or senior management or any of their respective associates.

Principal terms of distribution agreements

We typically enter into distribution agreements with our distributors. The following paragraphs set forth a summary of the salient terms of our arrangements with distributors.

Distribution Rights. We grant our distributor non-exclusive rights to promote and distribute our products within the predetermined geographic area.

Term. The term of the distribution agreement is typically one year.

Obligations. Our distributors shall promote and sell our products within the predetermined geographic area, maintain adequate stock levels to meet market demand, and provide customer service and post-sale support. We provide marketing materials, technical support, and training to the distributor.

Product delivery and transfer of liability. We are responsible for delivering products to the distributors' designated locations and may be liable for damages to the products caused during transportation. Liability passes to our distributors once the products have been delivered to their specified location.

Pricing policy. Distributors set the selling prices of our products to the end customers based on our suggested price.

Payment term. We typically require our distributors to make full payment before the delivery of our products.

Credit term. We typically offer a credit period up to 30 days to our distributors.

Sales amount and sales target. The distributors confirm the purchase amount with us in written purchase orders specifying product model, specifications, quantity and total amount.

Product warranties. We warrant that our products shall be free from defects in material and workmanship under normal use generally for a period of 12 months from the date of delivery.

Return and Exchange policy. We allow returns or exchanges only for defective products that malfunction due to flaws in materials, design, or workmanship. We may allow exchange free of charge upon distributors' timely notification of any discrepancy in product specifications, or compromised packaging rendering products commercially unusable at delivery.

Minimum sales requirements. We require an annual minimum sales number of robots and may terminate the distributorship for any failure to comply with this requirement.

Intellectual property rights. We retain complete ownership to all intellectual property rights to any work products generated during the performance of our sales contract. Our distributors are restricted from transferring any information relating to intellectual properties to third parties.

Termination. Parties may terminate the distribution agreement in the event of either party breaches any material term or condition after written notice.

SALES AND MARKETING

We constantly seek to explore the application scenarios of products through maintaining and building relationships with our existing or new customers. We have adopted multi-faceted marketing initiatives, including digital marketing and industry exhibitions, among others. As a key component of our marketing strategies, we demonstrate the capabilities of our products and solutions and share our experience and knowledge of our products and solutions with our customers, and therefore, we often engage with our community through a wide variety of content on the mainstream social media and our official website, with the goal of creating interactive exchanges with our customers, thereby promoting and sharing the information of our products and solutions. Additionally, we have been actively participating in various industry exhibitions and trade shows, which provides us with the opportunity to showcase our products and solutions to prospective customers. We also seek to play an active role in industry associations underlying the various application scenarios our products and solutions target, which allows us to stay informed of the latest developments in the relevant fields.

In 2023, 2024 and 2025, our selling and marketing expenses were RMB54.9 million, RMB63.0 million and RMB75.6 million, respectively, representing 20.6%, 19.4% and 14.6% of our revenue for the same periods, respectively.

BACKLOG

Backlog represents our estimate of contract value that remains to be completed as of a certain date. New order/project value represents the amount that we expect to receive under the terms of the contract, assuming the contract is performed in accordance with its terms. To the extent the work under these contracts advances, amounts are progressively removed from backlog. Backlog is not an audited measure defined by HKFRS and our methodology in determining backlog may not be comparable to the methodology used by other companies.

Backlog might not be indicative of our future operating results and difficulties in contract performance could lead to inaccuracies with respect to the ultimate income from uncompleted contracts. The termination or modification of any one or more sizeable contracts or the addition of other contracts could have a substantial and immediate effect on the amount of our backlog and the revenue and profits we may earn from such contracts, and could have a material adverse effect on our profitability and financial condition. As a result, our backlog information presented in this document should not be relied on as an indicator of our future earnings.

The following tables set forth, without considering the value-added tax, our backlog, new order/project value, number of orders/projects and recognized revenue for each of our business lines of the years indicated. In a given period, our backlog at the beginning of the year plus our new order/project value less our recognized revenue for the year equals our backlog at the end of the year.

Year ended December 31, 2023

	Backlog at the beginning of the year	New order/ project value	Number of orders/ projects	Revenue recognized for the year	Backlog at the end of the year
	(RMB in thousands, except for number of orders/projects)				
Sales of robotic products	**71,976**	**282,655**	**1,146**	**181,608**	**173,023**
Industrial robots	55,752	183,361	771	111,803	127,310
Collaborative robots	16,224	96,530	370	67,041	45,713
Embodied intelligent robots	**–**	2,764	5	2,764	–
Provision of robotic solutions	**9,282**	**87,113**	**77**	**79,211**	**17,184**
Others	**3,816**	**4,373**	**384**	**6,206**	**1,983**
Total	**85,074**	**374,141**	**1,607**	**267,025**	**192,190**

Year ended December 31, 2024

	Backlog at the beginning of the year	New order/ project value	Number of orders/ projects	Revenue recognized for the year	Backlog at the end of the year
	(RMB in thousands, except for number of orders/projects)				
Sales of robotic products	**173,023**	**389,826**	**1,779**	**268,666**	**294,183**
Industrial robots	127,310	228,463	1,138	166,938	188,835
Collaborative robots	45,713	154,253	633	94,643	105,323
Embodied intelligent robots	–	7,110	8	7,085	25
Provision of robotic solutions	**17,184**	**77,245**	**71**	**51,112**	**43,317**
Others	**1,983**	**5,737**	**624**	**5,479**	**2,241**
Total	**192,190**	**472,808**	**2,474**	**325,257**	**339,741**

Year ended December 31, 2025

	Backlog at the beginning of the year	New order/ project value	Number of orders/ projects	Revenue recognized for the year	Backlog at the end of the year
	(RMB in thousands, except for number of orders/projects)				
Sales of robotic products	**294,183**	**561,868**	**3,452**	**409,918**	**446,133**
Industrial robots	188,835	281,009	2,012	224,747	245,097
Collaborative robots	105,323	217,954	1,347	138,157	185,120
Embodied intelligent robots	25	62,905	93	47,014	15,916
Provision of robotic solutions	**43,317**	**92,384**	**84**	**100,014**	**35,687**
Others	**2,241**	**22,981**	**1,607**	**11,815**	**13,407**
Total	**339,741**	**677,233**	**5,143**	**521,747**	**495,227**

OUR CUSTOMERS

As a China-based company, we have established and continue to forge relationships with domestic and international companies across different industry sectors. To this end, we analyze customer dynamics and market trends in key sectors to seek more opportunities across industries, which allows us to enlarge the use cases of our offerings and our customer base. We have a broad and growing customer base, which covers the Chinese domestic market and approximately 40 overseas countries and regions in Europe, other Asian markets, Americas, and Africa, supporting the technological upgrades to intelligent automation by our overseas customers. In 2023, 2024 and 2025, our overseas revenue was RMB38.2 million, RMB29.2 million and RMB46.6 million, respectively, accounting for 14.3%, 9.0% and 8.9% of our revenue for the same years, respectively. During the Track Record Period, we recorded relatively higher gross profit and gross profit margin for our overseas customers as compared to those of our domestic customers, primarily due to the higher prices that we had set for our overseas customers, as a result of a lower level of competition for our products in the overseas market. Our major customers are primarily engaged in manufacturing hardware, industrial equipment and components, as well as the provision of system integration services.

In 2023, 2024 and 2025, our revenue from the five largest customers in each year during the Track Record Period in total was RMB65.2 million, RMB58.6 million and RMB112.1 million, respectively, accounting for 24.4%, 18.0% and 21.5% of our total revenue for the same years, respectively. In the same years, our revenue from the single largest customer in each year during the Track Record Period amounted to RMB15.5 million, RMB15.1 million and RMB27.3 million, respectively, accounting for 5.7%, 4.6% and 5.2% of our total revenue for the same years, respectively. The following tables set forth the details of our top five customers during each year of the Track Record Period.

Customers	Revenue amount	Percentage of total revenue	Customer type	Product/solution purchased	Payment method and credit terms	Year of commencement of business relationship	Geographic location	Background	Manufacturer type
	(RMB in thousands)	*(%)*							
For the year ended December 31, 2023									
Customer A	15,521	5.7	Direct sales customer	Collaborative robots	Bank transfer; Advanced payment	2021	Chinese Mainland	A private technology enterprise centered on industrial robot off-line programming software and intelligent manufacturing system integration technologies, with a registered capital of RMB81.5 million.	Manufacturer of final products
Customer B	14,054	5.3	Direct sales customer	Industrial robots	Bank transfer and acceptance bills; 30 days	2023	Chinese Mainland	A SZSE-listed technology company dedicated to the R&D and manufacturing of new-energy equipment, with a registered capital of RMB347.7 million.	Manufacturer of production equipment
Customer C	12,500	4.7	Direct sales customer	Robotic solution	Bank transfer; 180 days	2017	Chinese Mainland, Mexico	A Euronext Paris listed world-leading supplier of automotive parts and systems, specializing in the design, development, manufacturing, and sales of automotive components, with a registered capital of EUR2,450 million.	Manufacturer of final products
Customer D	11,643	4.4	Direct sales customer	Robotic solution	Bank transfer; 60 days	2023	Chinese Mainland	A SZSE- and HKEX-listed multinational group whose core businesses are the R&D, manufacture and sale of refrigeration and air-conditioning control components and automotive thermal-management parts, with a registered capital of RMB3.7 billion.	Manufacturer of final products
Customer E	11,519	4.3	Direct sales customer	Collaborative robots	Bank transfer; 30 days	2022	Chinese Mainland	A leading Chinese internet technology company	Manufacturer of final products
Total	**65,237**	**24.4**							

Customers	Revenue amount	Percentage of total revenue	Customer Type	Product/solution purchased	Payment method and credit terms	Year of commencement of business relationship	Geographic location	Background	Manufacturer type
	(RMB in thousands)	*(%)*							
For the year ended December 31, 2024									
Customer F	15,064	4.6	Direct sales customer	Industrial robots	Bank transfer; 90 days	2020	Chinese Mainland	A company dedicated to the research and development and sale of industrial automation control system devices, intelligent warehousing equipment, and photovoltaic machinery.	Manufacturer of production equipment
Customer G	12,897	4.0	Direct sales customer	Industrial robots	Bank transfer and acceptance bills; 90 days	2018	Chinese Mainland	A private smart-manufacturing company specializing in the R&D and production of industrial robots, automation system integration, and intelligent manufacturing solutions, with a registered capital of USD15.8 million.	Manufacturer of production equipment
Customer H	11,069	3.4	Direct sales customer	Collaborative robots; Industrial robots	Bank transfer and acceptance bills; 180 days	2023	Chinese Mainland	A private renowned company specialized in the manufacture of printing-specific equipment, with operations covering the production, sales, and import & export of photographic apparatus, environmental-protection equipment, and printing machinery, with a registered capital of RMB10 million.	Manufacturer of production equipment
Customer C	10,340	3.2	Direct sales customer	Robotic solution	Bank transfer; 180 days	2017	Chinese Mainland, Mexico, Morocco, Poland	A Euronext Paris listed world-leading supplier of automotive parts and systems, specializing in the design, development, manufacturing, and sales of automotive components, with a registered capital of EUR2,450 million.	Manufacturer of final products
Customer I	9,234	2.8	Direct sales customer	Robotic solution	Bank transfer and acceptance bills; 60 days	2019	Chinese Mainland	A private well-known large-scale central air-conditioning manufacturer in China with a registered capital of RMB5 billion.	Manufacturer of final products
Total	**58,604**	**18.0**							

Customers	Revenue amount	Percentage of total revenue	Customer Type	Product/solution purchased	Payment method and credit terms	Year of commencement of business relationship	Geographic location	Background	Manufacturer type
	(RMB in thousands)	*(%)*							
For the year ended December 31, 2025									
Customer J	27,301	5.2	Direct sales customer	Robotic solution	Bank transfer; 30 days	2024	Chinese Mainland	A SZSE listed company engaged in the R&D, manufacturing and sales of refrigeration & air conditioning equipment and spare parts, as well as environmental protection equipment for exhaust-gas recovery, with a registered capital of RMB2.7 billion.	Manufacturer of final products
Customer K	25,140	4.8	Direct sales customer	Embodied intelligent robots	Bank transfer; 30 days	2025	Chinese Mainland	A Shanghai-based company engaged in the R&D of AI and robotics technologies, specializing in the development of general-purpose robot products and related applications, with a registered capital of RMB91.3 million.	Manufacturer of production equipment
Customer C	24,452	4.7	Direct sales customer	Collaborative robots; Robotic solution	Bank transfer; 180 days	2017	Chinese Mainland, Mexico, Morocco	A Euronext Paris listed world-leading supplier of automotive parts and systems, specializing in the design, development, manufacturing, and sales of automotive components, with a registered capital of EUR2,450 million.	Manufacturer of final products
Customer G	23,210	4.5	Direct sales customer	Industrial robots	Bank transfer; and acceptance bills 90 days	2018	Chinese Mainland	A private smart-manufacturing company specializing in the R&D and production of industrial robots, automation system integration, and intelligent manufacturing solutions, with a registered capital of USD15.8 million	Manufacturer of production equipment
Customer L	11,973	2.3	Direct sales customer	Collaborative robots	Advanced payment	2025	Chinese Mainland	A SZSE-listed company engaged in the manufacturing of steel structures and the R&D of prefabricated construction technologies, with multiple production bases across China, with a registered capital of RMB690.01 million.	Manufacturer of final products
Total	**112,076**	**21.5**							

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each year during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

OUR SUPPLIERS

Our suppliers primarily consist of China-based providers of materials, components and relevant services for the production of our robots. We primarily procure hardware accessories for robot production, such as castings and machine parts, speed reducers, and electric motors from our major suppliers. We select leading suppliers in the relevant fields in order to ensure the availability and quality of such materials, components and services. Our procurement process is under periodic review for higher efficiency and cost control purpose without jeopardizing the quality of deliverables.

The key materials and components for our robots and robotic solutions primarily include castings and machine parts, speed reducers, servo motors, cables, sensors, and other components. We require the suppliers to develop and manufacture the components based on our specifications with quality standards satisfactory to us. Upon receiving the components, we retain the right to reject or return based on the results of our inspection. We typically obtain quotations from multiple suppliers, in order to ensure supply stability and optimal procurement cost control, whereas we may source those components which we believe substitute suppliers can be easily identified. During the Track Record Period and up to the Latest Practicable Date, we had not experienced significant difficulties in maintaining sources of supplies and expect to be able to maintain adequate sources of quality supplies in the future.

We normally enter into master agreements with providers of materials and components which set out the general terms and conditions of cooperation. We make separate purchase orders pursuant to the framework agreements and finalize prices and volumes with each purchase order. We make the payment as set forth in the purchase order, and the supplier is typically responsible for the delivery of the products. Prior to entering into business relationships with providers of such materials and components, we evaluate a variety of factors, including their product quality, qualification, reputation, pricing and overall services. We perform thorough due diligence on our suppliers, request samples before making purchase orders, and regularly monitor and review their performance.

We have established a procurement team to arrange and place orders for our major procurements, including materials, equipment and devices and modules. Our procurement team are responsible for formulating our procurement plans, development, evaluations and management of suppliers, demand analysis, price comparison and negotiation and procurement cost management. We have also implemented systematic procurement procedures focused on bulk and online procurements to enhance our efficiency.

We have adopted supplier qualification procedures to standardize our supplier selection process. In selecting our suppliers, we primarily consider factors including product quality, delivery capabilities, price level, technical and reputation. We formulate and continually update our qualified supplier list and evaluate our supplier status from time to time. We also implement rigorous quality control procedures for our supplies. For details, see "—Quality Control."

Major Suppliers

The purchases from our top five suppliers in each year during the Track Record Period was RMB59.5 million, RMB69.9 million and RMB126.3 million, respectively, representing 25.1%, 27.5% and 31.0% of our total cost of sales in the same year, respectively. The purchases from our largest supplier in each year during the Track Record Period was RMB26.6 million, RMB22.2 million and RMB34.5 million, respectively, representing 11.3%, 8.8% and 8.5% of our total cost of sales in the same year, respectively. The following tables set forth the details of our top five suppliers during each year of the Track Record Period.

Supplier	Purchase amount	Percentage of total cost of sales	Product/solution procured	Year of commencement of business relationship	Credit Period and payment method	Geographic location	Principal business activities	Type of supplier
	(RMB in thousands)	*(%)*						
For the year ended December 31, 2023								
Supplier A . . .	26,638	11.3	Machined parts and castings	2018	60 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the manufacturing and sales of hardware accessories, machining, with a registered capital of RMB350 thousands.	Castings and machine parts
Supplier B . . .	9,497	4.0	Harmonic drives	2017	30 days; bank transfer and acceptance bills	Chinese Mainland	A SSE listed company engaged in the R&D, design and technology development of harmonic drive equipment, with a registered capital of RMB1.7 billion.	Speed reducer
Supplier C . . .	8,977	3.8	Servo motor	2017	30 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the development and manufacture of standard and customized automation solutions, with a particular focus on motion control operations, with a registered capital of USD1.2 million.	Servo motor
Supplier D . . .	8,571	3.6	RV reducer	2017	30 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the R&D and manufacture of precision transmission devices, reducers and gear transmission devices, micro-motion devices, precision mechanical parts, and precision electronic machinery, with a registered capital of RMB3.3 billion.	Speed reducer
Supplier E . . .	5,768	2.4	Speed reducer	2017	60 days; bank transfer and acceptance bills	Chinese Mainland	A SZSE listed company engaged in the manufacturing of smart elevators, servo drives, variable frequency drives, robots, and industrial controllers, with a registered capital of RMB6.6 billion.	Castings and machine parts
Total	**59,451**	**25.1**						

Supplier	Purchase amount	Percentage of total cost of sales	Product/solution procured	Year of commencement of business relationship	Credit Period and payment method	Geographic location	Principal business activities	Type of supplier
	(RMB in thousands)	*(%)*						
For the year ended December 31, 2024								
Supplier A . . .	22,154	8.8	Machined parts and castings	2018	90 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the manufacturing and sales of hardware accessories, machining, with a registered capital of RMB350 thousands.	Castings and machine parts
Supplier D . . .	14,595	5.7	RV reducer	2017	90 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the R&D and manufacture of precision transmission devices, reducers and gear transmission devices, micro-motion devices, precision mechanical parts, and precision electronic machinery, with a registered capital of RMB3.3 billion.	Speed reducer
Supplier C . . .	11,989	4.7	Servo motor	2017	60 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the development and manufacture of standard and customized automation solutions, with a particular focus on motion control operations, with a registered capital of USD1.2 million.	Servo motor
Supplier B . . .	11,739	4.6	Harmonic drive	2017	30 days; bank transfer and acceptance bills	Chinese Mainland	A SSE listed company engaged in the R&D, design and technology development of harmonic drive equipment, with a registered capital of RMB1.7 billion.	Speed reducer
Supplier F . . .	9,459	3.7	Servo drive	2017	90 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the manufacture of machinery and hardware; contracted processing of electronic products and industrial automation control system devices, with a registered capital of RMB31.2 million.	Servo driver
Total	**69,936**	**27.5**						

Supplier	Purchase amount	Percentage of total cost of sales	Product/solution procured	Year of commencement of business relationship	Credit Period and payment method	Geographic location	Principal business activities	Type of supplier
	(RMB in thousands)	*(%)*						
For the year ended December 31, 2025								
Supplier A . . .	34,465	8.5	Machined parts and castings	2018	90 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the manufacturing and sales of hardware accessories, machining, with a registered capital of RMB350 thousands.	Castings and machined parts
Supplier D . . .	25,460	6.2	RV reducer	2017	90 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the R&D and manufacture of precision transmission devices, reducers and gear transmission devices, micro-motion devices, precision mechanical parts, and precision electronic machinery, with a registered capital of RMB3.3 billion.	Speed reducer
Supplier G . . .	22,434	5.5	Auxiliary Materials	2017	30 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the development, sales and service of automated control equipment, with a registered capital of RMB5.0 million.	Ingredients
Supplier C . . .	22,095	5.4	Servo motor	2017	60 days; bank transfer and acceptance bills	Chinese Mainland	A private company engaged in the development and manufacture of standard and customized automation solutions, with a particular focus on motion control operations, with a registered capital of USD1.2 million.	Servo motor
Supplier B . . .	21,813	5.4	Harmonic drive	2017	30 days; bank transfer and acceptance bills	Chinese Mainland	A SSE listed company engaged in the R&D, design and technology development of harmonic drive equipment, with a registered capital of RMB1.7 billion.	Speed reducer
Total	**126,267**	**31.0**						

Our Directors confirm that we had not experienced any significant material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or delay in delivery of our orders from our suppliers during the Track Record Period. As of the Latest Practicable Date, none of our Directors and their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers in each year during the Track Record Period.

Principal terms of supplier agreements

The following paragraphs set forth a summary of the salient terms of our arrangements with suppliers.

Product delivery. Suppliers are generally responsible for delivering the products that meet the original manufacturer's quality standards to our designated locations in accordance with the agreed delivery schedule.

Payment term. Payments are subject to satisfactory completion of our inspection process and formal acceptance of the delivered products. We typically pay our suppliers in installments: an initial proportion of the purchase amount is paid upon signing the contract, another proportion paid prior to delivery, a third proportion following satisfactory inspection, and a final proportion after the 12-month warranty period.

Credit term. Suppliers typically grant us a credit term of up to 90 days.

Warranty period. Suppliers generally provide us with a warranty period of 12 months from the date of acceptance of the supplied products.

Return and exchange policy. Suppliers are typically responsible for repair, exchange or returns of product if quality issues arise within the warranty period.

Intellectual property rights. Suppliers generally guarantee that the supplied products are not in breach of any intellectual property rights of third parties.

Termination. Parties may terminate the supplier agreement upon mutual agreement.

Overlapping of Major Customers and Suppliers

During the Track Record Period, one of our major customers, Customer A, was also our supplier for simulation software. In each year during the Track Record Period, the purchase amount from Customer A was approximately RMB2.2 thousand, RMB2.2 thousand and RMB3.1 thousand, respectively, representing 0.001%, 0.001% and 0.001% of our cost of sales in the same periods, respectively.

During the Track Record Period, five of our major suppliers, including Supplier A, Supplier B, Supplier D, Supplier E and Supplier G, were also our customers for robotic products and spare parts. The suppliers generally purchased our robots for their production lines. In each year during the Track Record Period, the revenue from such overlapping suppliers was approximately RMB0.1 million, RMB0.1 million and RMB1.0 million, representing 0.02%, 0.03% and 0.2% of our total revenue in the same years, respectively. Specifically, Supplier A purchased industrial and collaborative robots from us in 2024, and the gross profit generated from it was RMB37.2 thousand in the same year, with a gross profit margin of 34.5% in the same year. Supplier B purchased industrial robots and robotic spare parts from us in 2025, and the gross profit generated from it was RMB116.8 thousand in the same year, with a gross profit margin of 24.0% in the same year. Supplier D purchased robotic spare parts from us in 2025, and the gross profit generated from it was RMB2.9 thousand in the same year, with a gross profit margin of 65.0% in the same year. Supplier E purchased industrial robots from us in 2023, and the gross profit generated from it was RMB20.6 thousand in the same year, with a gross profit margin of 39.9% in the same year. Supplier E also purchased robotic spare parts from us in 2025, and the gross loss incurred from it was RMB160.0 thousand in the same year, with a gross loss margin of 30.7%% in the same year. Supplier G purchased robotic spare parts from us in 2024, and the gross profit generated from it was RMB3.0 thousand in the same year, with a gross profit margin of 84.6% in the same year. The gross profit and gross profit margin of transactions involving overlapping customers and suppliers fluctuated during the Track Record Period, primarily

because these transactions were sporadic, incidental and non-recurring in nature, rather than forming part of our core business operations. In light of the relatively small transaction sizes, the gross profit margin of individual transactions may appear comparatively high in certain cases.

We made occasional purchases from such overlapping customers and suppliers primarily because their business scope also covers products or services that we use, or because we supply products that they require, resulting in reciprocal transactions in the ordinary course of business. Negotiations of the terms of our sales to and purchases from the overlapping customers and suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. The prices in these transactions were determined on a commercially justifiable basis and remained within the range of pricing and terms offered to or obtained from independent third parties for comparable transactions, and did not deviate from our all pricing framework. Our Directors are of the view, which is concurred by the Joint Sponsors, that all of our sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and in arm's length transactions.

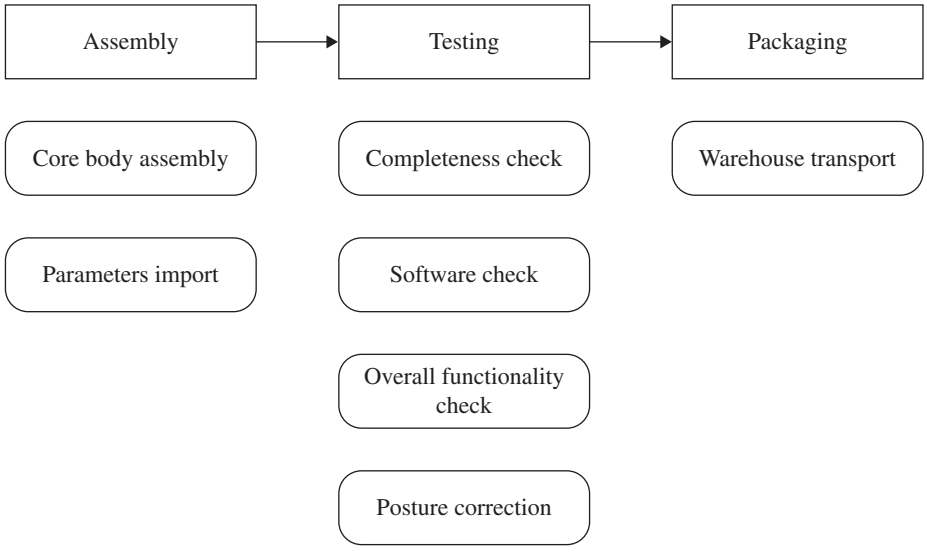
OUR PRODUCTION

During the Track Record Period, we manufactured and produced our robotic products through our production facilities in Jining, Shandong Province. Prior to the establishment of our first production facilities in 2022, we started self-production in 2017 in leased facilities.

We formulate production schedules and plans according to the market demand, taking into consideration with the level of our stock and utilization rates of our production facilities. We have implemented a set of internal production and operation policies in compliance with the applicable national and international industry standards. We carry out regular inspections to assess the conditions of our production facilities and conduct necessary repairs and maintenance.

Our Production Processes

The following diagram illustrates the principal steps of the production process generally applicable to our robotic products.



Assembly stage. We generally start the production process of our robotic product by first assembling the essential robotics components to form the core body of the product. Depending on the type of product being produced and the functionalities required, the core body is further imported with various parameters.

Testing stage. After we assemble all of the required components for our robotic product, an overall completeness check is performed to ensure that all components have been properly assembled, and necessary software checks are also carried out at this stage. An overall functionality test is then conducted to test whether the product could perform all of its intended functions properly. The next step is posture correction, where we perform more specific tests and carry out necessary adjustments to ensure the accuracy of the physical postures and movements of the product.

Packaging stage. The finished robotic products are packaged and transported to the warehouses for final delivery.

Our Production Facilities

As of the Latest Practicable Date, we had one site of production facilities in Jining, Shandong Province. The following table sets forth the details of our production facilities.

Location	Approximate gross floor area/land use area	Main functions
No. 888, Huarun Road, Electromechanical Industrial Park, Centrodian Town, Zoucheng City, Jining, China	62,000 m^2	Warehousing, assembly, testing, painting, R&D, office, dormitory, cafeteria and other functional areas

The following tables sets forth the details of the production capacities and utilization rates of our production lines during the Track Record Period.

Production lines	Production capacity of finished products (units)			Production volume of finished products (units)			Utilization rate		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Industrial Robots Production Line	2,914	4,896	7,619	2,358	4,128	7,042	80.9%	84.3%	92.4%
Collaborative Robots Production Line	1,645	2,448	5,280	1,588	2,251	4,776	96.5%	92.0%	90.5%
Embodied Intelligent Robots Production Line	N/A	N/A	1,285	N/A	N/A	1,207	N/A	N/A	93.9%
Total	**4,559**	**7,344**	**14,184**	**3,946**	**6,379**	**13,025**	**86.6%**	**86.9%**	**91.8%**

(1) Production capacity is calculated based on the assumption that our production facilities operate eight hours per day and 300 days per year, or 2,400 hours per year. We launched our embodied intelligent production lines in the fourth quarter of 2025, and production capacity is calculated based on the assumption that our product facilities operate eight hours per day and 75 days in the fourth quarter. This calculation basis is generally in line with industry norm, according to the CIC Report. In particular, the production and assembly processes for our series/models are highly similar, with the major variation in terms of the sizes of our robotic parts. Therefore, the production calculation assumption may be uniformly applied to all of our production lines. We launched a production line expansion in 2025.

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

During the Track Record Period, the production capacity for our assembly lines continued to expand, as we ramped up our production activities and expanded our production facilities, due to the increase in demand for our products from our customers. With this increased demand, we deployed new personnel when we reached full capacity, and a training period for these new employees will in turn drive down our overall utilization rates for our production lines, as our production volume may not timely catch up with our expansion rate in those periods. At the same time, our overall utilization rate had also increased during the Track Record Period primarily due to higher efficiencies in our production processes.

LOGISTICS AND INVENTORY MANAGEMENT

We leverage our own warehouse for storing work-in-progress, finished products and certain components and raw materials, and we engage third-party logistics service providers for delivery services. Finished products that have passed quality inspections are delivered by the logistics service providers from our own production facilities directly to our customers or to our designated warehouses and ultimately to locations specified by our customers.

Our inventories include raw materials and consumables, working in progress, finished goods. As of December 31, 2023, 2024 and 2025, our inventories were RMB99.3 million, RMB86.5 million and RMB195.2 million, respectively. We have a strict inventory control policy to monitor our inventory levels in order to minimize obsolete inventory. Through close coordination with our customers and our third-party contract manufacturers, we are able to carry less raw materials and in-process inventories and lower our inventory risk.

We review the condition of our inventories at the end of each reporting period and makes provisions against inventory items based on estimates of the realizable value with reference to the latest sale prices and current market conditions. based on sales forecasts. Sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with our customers and current market conditions of the robot industry. Management estimates the net realizable value for inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each reporting period. The provision against inventories requires the use of judgments and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognized in the periods in which such estimates have been changed.

We also conduct detailed sales forecasts taking into consideration of factors such as sales strategy, historical sales data, industry changes, inventory levels of finished goods, and supply chain risks and conduct regular checks and reviews on the performance of distributors and provide supports to underperformed distributors.

QUALITY CONTROL

We are committed to maintaining high level of quality and safety for our products and solutions. We are one of the earliest Chinese robot manufacturers to achieve 21 TÜV functional safety certifications, according to the CIC Report, demonstrating our commitment to safety and quality. We have designed and implemented stringent monitoring and quality control systems to manage our manufacturing activities. Our quality control system compasses all aspects of our operations, including product design and development, sourcing and procuring of materials, parts and components, production, packaging, inventory storage, delivery and after-sales services. Our products are sold worldwide and are subject to different safety standards and quality requirements depending on the sales destination. We have also adopted the appropriate quality control system and engaged independent product testing and certification organizations to test and certify our products on the relevant standards of each target market. Our robotic products have obtained SGS IP67 protection rating certification, ISO9001 quality management system certification, EU CE certification, KCs certification, EAC certification, and Siemens PI certification. Our flexible collaborative robots, in particular, have passed EN ISO 13849-1, EN ISO 10218-1/PL d, Cat.3; and ISO 15066 certification. These certifications comply with industry-specific standards, according to the CIC Report.

As a result of our adherence to quality control procedures, we did not experience any material sales returns or any material product liability or major legal claims due to product safety and quality control issues, and we did not recall any products during the Track Record Period and up to the Latest Practicable Date. We typically provide 12 months warranties for our robotic products, and six months warranties for our robotic spare parts, as stated in our agreements with our customers. Our warranty term is usually limited to defects or failure of products or services that do not meet the quality standards as specified and agreed with our customers. In case of product failure within the warranty period, we will arrange for repair or replacement of products and/or services without extra charge. After the warranty period expires, we may provide maintenance and repair services at a reasonable cost. During the Track Record Period and up to

the Latest Practicable Date, we had not experienced any material order cancellations, customer complaints, disputes and/or refund requests in relation to our robotic products and robotic solutions, and we had not been involved in any material incidents or had been subject to any material claims concerning safety issues of our products.

In 2023, 2024 and 2025, our warranty expenses were RMB4.2 million, RMB5.1 million and RMB6.7 million, respectively. Our product quality engineers work with our engineering team to help ensure that the product designs meet functional specifications and durability requirements of the relevant industry standards and our customer requirements. At the procurement stage, we select reliable suppliers and enter into quality control agreements with them, allowing us to seek remedies, such as damages and rectification in the event that supplies fall below our quality standards. We conduct thorough test and examination of product samples to make sure they satisfy all the technical requirement set forth in our design. Our main component suppliers, including suppliers for hardware such as module components, provide manufacturer warranties for a period ranging from one to three years. Our quality control team continually monitors the quality of incoming components and materials, the assembling processes, and finished products at our production facilities.

Before entering into business partnerships with our subcontractors, we review their licenses, certifications and other credentials and examine their technological expertise. We also conduct site visits to our subcontractors from time to time to examine their product quality and manufacturing capacity.

EMPLOYEES

As of the Latest Practicable Date, we had 946 employees. Most of our employees are based in China. The following table sets forth a breakdown of our employees by function as of the same date.

Function	Number of Employees	% of Total
Production and procurement	334	35.3%
Sales and marketing	278	29.4%
Research and development	233	24.6%
General administration and management	101	10.7%
Total	**946**	**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. We invest in continuing education and training programs for our employees to improve their professional knowledge and management skills, upgrade their skill sets and keep abreast of the industry standards in their respective positions. We offer competitive remuneration package to our employees, which are generally based on their qualifications, industry experience, position and performance. We regularly evaluate the performance of our employees and reward the well-performed with bonus and promotion.

We are required by PRC social insurance and housing provident fund laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees. During the Track Record Period, we failed to establish housing provident fund accounts and make housing provident fund contributions for four employees, among whom one employee resigned during the Track Record Period, and the remaining three employees voluntarily applied for exemption from contributions. As of the Latest Practicable Date, we have opened a housing provident fund account and commenced making contributions for one of the three employees who voluntarily applied for exemption from contributions. During the Track Record Period, the corresponding shortfall amount for housing provident fund contributions for these employees was RMB0.1 million. Apart from the aforementioned circumstances, we had duly registered for social insurance and housing provident fund, and had made full contributions for our employees. For the three employees who voluntarily requested exemption from housing provident fund contributions, we had actively communicated with them and persuaded them to make contributions.

Pursuant to the commitment letters issued by the three employees: (1) they voluntarily waive their right to have us contribute to their housing provident fund, (2) they acknowledge that any consequences, losses, or liabilities arising from the voluntary waiver of the abovementioned rights, including the forfeiture of housing provident fund benefits, shall be borne solely by themselves, (3) they further undertake not to request early termination of employment contracts or demand make-up contributions, economic compensation or damages on the grounds that we failed to make housing provident fund contributions for them, and (4) they undertake to bear full compensation liability if any losses are caused to us due to their voluntary waiver of housing provident fund contributions. We will continue to work with the two employees to make housing provident fund contributions in accordance with the relevant PRC laws and regulations. We will use our best efforts to liaise with our employees to rectify the current situation and are prepared to comply with the requirements of the competent authorities. We had strengthened employee education to ensure that similar circumstances do not recur, and will no longer accept employee applications for exemption from housing provident fund contributions.

According to the Regulations on the Housing Provident Fund, if an entity fails to register for housing provident fund contributions or fails to establish housing provident fund accounts for its employees, the housing provident fund management center shall order it to rectify within a specified time limit; if it fails to rectify upon expiry, a fine ranging from RMB10,000 to RMB50,000 shall be imposed; if an entity fails to make or underpay housing provident fund contributions upon expiry, the housing provident fund management center shall order it to make the contributions within a specified time limit; if it still fails to make contributions upon expiry, an application may be made to the court for compulsory enforcement.

As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant competent regulatory authorities on us with respect to our housing provident fund contributions, nor had we received any order or notice from the relevant competent regulatory authorities requiring the establishment of housing provident fund accounts for the abovementioned employees or settling the shortfall. As advised by our PRC Legal Advisor, based on the foregoing and in accordance with the existing applicable laws and regulations, the likelihood that we would be subject to administrative penalties for the failure to establish the housing provident fund accounts for the employees or settle the shortfall of the housing provident fund is low. Accordingly, we did not made financial provisions for the shortfall in housing provident fund contributions. See "Risk Factors—Risks relating to Our General Operations and Industry—We may be required to open the housing provident fund accounts and make additional contributions of the housing provident fund under PRC laws and regulations."

We are required by the Labor Contract Law of the PRC to engage dispatched workers only in temporary, auxiliary or substitute work and the number of dispatched workers may not exceed the dispatch limit. During the Track Record Period, we engaged dispatched workers for positions of temporary, auxiliary or substitute nature. The number of dispatched workers engaged by our subsidiaries did not exceed the dispatch limit, and none of our subsidiaries had received any notice or been subject to any administrative penalties or other disciplinary actions relating to labor dispatch from the relevant government authorities. See "Risk Factors—Risks relating to Our General Operations and Industry—We may be subject to penalties relating to labor dispatch."

We believe that we have maintained a good relationship and expect to maintain an amicable relationship in the future with our employees. During the Track Record Period and up to the Latest Practicable Date, there were no material strikes which had an adverse impact on our operation and no material disputes between the Group and our employees.

INSURANCE

We have put in place all the mandatory insurance policies required by PRC laws and regulations 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.

Our PRC Legal Advisor is of the view that, potential legal liability resulting from product defects or malfunctions may include the following: (1) if the products fail to meet the quality requirements stipulated under the contract, we shall bear the liability for breach of contract such as continuing to perform its obligations, taking remedial measures, or compensating for losses, i.e. by carrying out repairs,

reworking, replacing or returning the goods, or by reducing the price charged or the remuneration received; (2) if the defective product causes personal injury or damage to any property other than the defective product, we shall be liable for compensation. The scope of compensation includes medical expenses, nursing fees, loss of income, disability compensation, death compensation, property losses and other relevant damages; and (3) if the products fail to comply with national or industrial standards for safeguarding health as well as personal and property safety, we may be subject to administrative penalties including suspension of production and sales, confiscation of illegally produced and sold products, confiscation of illegal gains, imposition of fines, and revocation of business licences. Where any criminal offence is constituted, criminal liability shall also be pursued in accordance with the law. During the Track Record Period and up to the Latest Practicable Date, since (1) we had not experienced any material order cancellations, customer complaints, disputes and/or refund requests in relation to the robotic products and robotic solutions, and had not been involved in any material incidents or had been subject to any material claims concerning safety issues of the products, and (2) we had not been subject to any administrative penalties nor had been sued for personal injury or property damage caused by our robotic products and robotic solutions, our PRC Legal Advisor is of the view that we had not born the legal liabilities arising from product defects or malfunctions.

As of the Latest Practicable Date, we have not purchased business liability insurance or product liability insurance to cover the risk of legal liability resulting from product defects or malfunctions. According to CIC, our insurance coverage is consistent with industry practices. During the Track Record Period, we did not make any material insurance claim in relation to our business. See "Risk Factors—Risks relating to Our General Operations and Industry—The insurance coverage we have may not adequately protect us against all operating risks."

PROPERTIES

As of the Latest Practicable Date, our production facilities were located in China.

According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all the Group's interests in land or buildings, for the reason that, as of December 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets.

Owned Properties

As of the Latest Practicable Date, we owned two land use rights with a total land area of 62,052 square meters, as well as two real property ownership certificates with an aggregate gross floor area of over 42,800 square meters in Jining, Shandong Province, which houses our production facilities. As of the Latest Practicable Date, we had obtained requisite land use right and building ownership certificates for self-owned land and properties used for our production facilities.

Leased Properties

As of the Latest Practicable Date, we leased 12 properties relating to our business operations in total with an aggregate gross floor area of over 7,000 square meters, which have been mainly used as offices and R&D center.

As of the Latest Practicable Date, nine of our leased properties have not undergone registration and filing procedures, primarily due to the difficulty of procuring our lessors' cooperation to file such leases. All of such properties are in safe condition.

Pursuant to the Law of the People's Republic of China on Administration of Urban Real Estate and the Administrative Measures on Leasing of Commodity Housing, a registration and filing system is implemented for housing leasing. The parties to a housing lease shall, after the execution of the lease contract, complete the registration and filing procedures for housing leasing with the competent construction or real estate administration department; if the parties fail to follow the foregoing procedures, the competent authorities shall order them to make corrections within a specified time limit; if an enterprise fails to make corrections within the time limit, a fine ranging from RMB1,000 to RMB10,000 shall be imposed, with the maximum penalty of RMB90,000 for our nine non-registered lease properties. Based on the relevant PRC laws and regulations, a housing lease contract that has not been registered and filed may not be asserted against a third party. However, a failure of the parties to complete the registration and filing procedures for the lease contract shall not affect the validity of the contract itself.

During the Track Record Period and up to the Latest Practicable Date, we had not received any order from the relevant government authorities requiring us to register these lease agreements, and no administrative penalty had been imposed on us for non-registration of these lease agreements. Given that lease contracts are legally effective and the non-registration does not affect our use of the leased properties, we have no plans to relocate during the lease term. Based on the above, our PRC Legal Advisor is of the view that the likelihood that we would be subject to administrative penalties for the failure to register and file the leased properties is low. Accordingly, we did not made financial provisions for the failure to register and file the leased properties. See "Risk Factors—Risks relating to Our General Operations and Industry—We may be subject to fines for failing to register the lease agreement of leased property."

As of the Latest Practicable Date, the lessors of two of our leased properties used as office had not provided copies of the real property title certificates to us. As advised by our PRC Legal Advisor, the real property owners are legally required to acquire the relevant real property title certificates, and the lessors of the aforementioned leased properties have confirmed that they had been legally authorized to lease the respective property. Accordingly, we did not made financial provisions for the aforementioned defects. Considering that (1) during the Track Record Period and up to the Latest Practicable Date, we were not aware of any claim or challenge brought by any third parties concerning our use of the leased properties while not obtaining the proper proof of ownership, (2) there are abundant unoccupied properties available for lease at similar costs and we believe we would be able to relocate our facilities to a different site relatively easily if we are required by third parties, (3) the two properties are solely used as our offices in safe condition and are highly substitutable, and (4) in accordance with the relevant provisions of the PRC Civil Code, if we are unable to use or accrue proceeds from the leased property due to any claim by a third person, we may request reduction of rent or refuse to pay rent, our PRC Legal Advisor and Directors are of the view that such incidents will not have a material adverse impact on our continuous operation, financial condition and results of operations. See "Risk Factors—Risks relating to Our General Operations and Industry—We are subject to potential adverse consequences due to the defective titles of certain properties we occupied in the PRC."

LICENSES, APPROVALS AND PERMITS

We are required to maintain various licenses, permits and approvals in order to operate our business. We continually monitor our compliance with the requirements related to licenses, permits and approvals in order to ensure that we have all such licenses, permits and approvals which are necessary to operate our business. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to the operation of our existing business.

The following table sets out a list of material licenses, permits and approval held by us as of the Latest Practicable Date.

License/permit	Entity holding the license/permit	Grant date	Expiration date
Foreign Trade Operator Registration Form	Rokae Shandong	November 14, 2018	not applicable
Fixed Pollution Source Emission Registration	Rokae Shandong	May 31, 2023	not applicable
Registration Certificate of Customs Declaration Entity	Rokae Shandong	June 20, 2018	not applicable
Environmental Management System Certification	Rokae Shandong	November 2, 2022	not applicable
Food Business License	Rokae Shandong	February 16, 2023	not applicable
Data Management Capability Maturity	Rokae Shandong	December 30, 2024	not applicable
Information Security Management System Certification	Rokae Shandong	February 15, 2023	not applicable
IT Service Management System Certification	Rokae Shandong	February 15, 2023	not applicable
Occupational Health and Safety Management System Certification	Rokae Shandong	November 2, 2022	not applicable
Quality Management System Certification	Rokae Shandong	March 7, 2025	not applicable
Special Equipment Registration Form	Rokae Shandong	July 4, 2022	not applicable
Special Equipment Registration Form	Rokae Shandong	July 4, 2022	not applicable
Special Equipment Registration Form	Rokae Shandong	July 4, 2022	not applicable
High-tech Enterprise Certificate	The Company	December 1, 2022	December 8, 2028
High-tech Enterprise Certificate	Rokae Beijing	October 29, 2024	December 31, 2026
High-tech Enterprise Certificate	Rokae Shandong	December 7, 2024	December 31, 2026
Specialized, Refined, Distinctive, and Innovative "Little Giants"	Rokae Shandong	July 1, 2024	June 30, 2027

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. As of the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against our Company or any of the Directors which could have a material and adverse effect on our financial condition or results of operations. During the Track Record and up to the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings against our Company or any of the Directors which had caused a material and adverse effect on our financial condition or results of operations.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China. During the Track Record Period and as of the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, and we did not experience any material noncompliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a

material and adverse effect on our business, financial condition or results of operations. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respects in China.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for the overall effectiveness of our risk management and establishing our internal control system and reviewing its effectiveness. We have established and we maintain risk management and internal control systems consisting of policies and procedures that are appropriate for our business operations, and we are dedicated to continuously improving and implementing these systems to ensure our policies and implementation are effective and sufficient.

In preparation for the [**REDACTED**], we have engaged an independent third-party consultant (the "Internal Control Consultant") to perform a review over selected areas of our internal controls over financial reporting in July 2025 (the "Internal Control Review"). The scope of the Internal Control Review performed by the Internal Control Consultant was agreed between us and the Internal Control Consultant. The selected areas of our internal controls over financial reporting that were reviewed by the Internal Control Consultant included entity-level controls and business process level controls, including (1) sales, accounts receivable and collection, (2) procurement, accounts payable and payment, (3) inventory managements, (4) production and costing, (5) research and development, (6) human resource and payroll, (7) fixed assets and construction management, (8) cash and treasury management, (9) insurance, (10) financial reporting and disclosure controls, (11) taxes, (12) intangible assets and intellectual properties, (13) IT general controls, and (14) contract management.

The Internal Control Consultant performed the follow-up reviews in September 2025 to review the status of the management actions taken by us to address the findings of the Internal Control Review (the "Follow-up Review"). The Internal Control Consultant did not have any further recommendation in the Follow-up Review. The Internal Controls Review and the Follow-up Review were conducted based on information provided by our Group and no assurance or opinion on internal controls was expressed by the Internal Control Consultant.

Having considered the report prepared by our Internal Control Consultant, the Directors confirmed that all of the major recommendations provided by the Internal Control Consultant have been followed and corrective actions were taken accordingly to address our internal control deficiencies and weaknesses. Our Directors are of the view that our enhanced internal control measures are adequate and effective to ensure compliance with relevant laws and regulations going forward.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period, certain our customers (individually or collectively, the "Relevant Customers") settled payments with us through accounts that do not belong to the contractual parties under the corresponding sales and purchase agreements (the "Third-Party Payment Arrangements"). The Relevant Customers during the Track Record Period primarily consisted of customers in the form of small limited companies.

In 2023, 2024 and 2025, the number of the Relevant Customers was nil, ten and three, respectively. Among them, most of the third-party payors of such Relevant Customers during the Track Record Period were affiliates of the respective Relevant Customers, and only the third-party payors of two Relevant Customers in the year ended December 31, 2025 were independent from the respective Relevant Customers.

The aggregate amount they settled under the Third-Party Payment Arrangements was nil, RMB1.6 million and RMB0.7 million, respectively, which accounted for nil, 0.5% and 0.1% of our total revenue, respectively, in the same periods. No individual Relevant Customer has made material contribution to our revenue during the Track Record Period.

To the best of knowledge of our Directors, the Relevant Customers chose to settle through the Third-Party Payment Arrangements primarily due to payment convenience and faster transaction cycle.

Termination and Implication of Third-Party Payment Arrangements

We ceased the Third-Party Payment Arrangements in September 2025. As of the Latest Practicable Date, none of our customers utilized the Third-Party Payment Arrangements to settle payments with us.

We consider that the termination of the Third-party Payment Arrangements did not have, nor will have, any material adverse effect on the liquidity, business operation and financial performance of the Group, primarily because the aggregate amount they settled under the Third-Party Payment Arrangements was immaterial.

As advised by our PRC Legal Advisor, (1) since our third-party payments are grounded in genuine lawful transactions and commercially prudent arrangements and there is no intention to conceal, falsify, or misrepresent any proceeds of crime or the source and nature of income derived from such proceeds, the risks were low for our Group to be found obligated to return funds to Relevant Customers or their designated third-party payors under the Third-Party Payment Arrangements; and (2) our Company has not been found to be involved in any money laundering activities, activities that could be related to money laundering or any relevant investigations, and as such, the risk of the Third-Party Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (中華人民共和國刑法) for the purpose of covering up or concealing the source and nature of proceeds or gains is low.

Based on the foregoing, our Directors confirm that, to the best of their knowledge and based on the know-your-customer procedures and internal control measures implemented, during the Track Record Period, the relevant payments were based on bona fide underlying transactions and valid contractual relationships, and there were no instances of commercial bribery, money laundering, tax evasion, or existing or potential disputes with our Group related to the Third-Party Payment Arrangements.

Enhanced Internal Control Measures of Third-Party Payment Arrangements

To safeguard our interest against risks associated with Third-Party Payment Arrangements, since September 2025, we have significantly enhanced and implemented various internal control measures in order to rectify the Third-Party Payment Arrangements. Our efforts to rectify the Third-Party Payment Arrangements include, among other things:

- We initiated the implementation of rectification measures and informed our employees regarding the enhanced internal control measures.
- We strictly prohibit customers from using third-party accounts for payments. All funds must be paid directly from the customer's own official bank account to the company's designated account, except in special circumstances with justifications. Accepting an unauthorized third-party payment will result in disciplinary action, ranging from internal warnings and financial penalties to termination. The responsible employee and their manager will be held liable for any financial or legal losses incurred by us.
- Our finance department is required to verify the application and documents required for an exception. The customer must submit a formal application via an official letter, stating the reason for entrusting a third party to make the payment, the name of the third-party payer, and the nature of their relationship or entrustment. The chief executive officer has to approve any transaction over RMB1.0 million, and chief financial officer has to approve any transaction below this amount. The official approval must be submitted and obtained through our company system.
- To prevent fraud or money laundering activities and ensure the accuracy and completeness of our accounting books and records, we further strengthened our know-your-customer procedures to gain a comprehensive understanding of our customers and performing verification of

payment details against our records to confirm payments are made in accordance with the agreements. If any abnormalities are detected, we will promptly liaise with such customers for verification and correction. In addition, our sales team will hold regular meetings with customers to gain insights into their business operations, thereby reducing the risk of involvement in fraudulent or money laundering activities.

Based on the follow-up review of the implementation of these measures, our Directors are of the view that these measures are effective and adequate in preventing unauthorized Third-Party Payment Arrangements and the associated risks. Going forward, our Directors will continue to oversee the effectiveness of the aforementioned enhanced internal control measures on the Third-Party Payment Arrangements. Based on documents and information provided by the Company and the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with our Directors' view.

DATA SECURITY AND PRIVACY

In the course of our business, we collect, store and process business data and transaction data. During the use of our robotic products, we do not collect any personal data or information from customers. Our AI models do not involve the collection of personal data and information. During the course of our business operation, with the prior consent of our customers, suppliers and other business partners, we collect and maintain their contact information to the extent necessary and in accordance with the applicable laws and regulations on data privacy and security. We have taken measures to maintain the confidentiality of such information to ensure regulatory compliance. We have set up an access control system for customer information in our internal system so that it cannot be viewed without proper authorization or exported in bulk. We set up firewalls to prevent information loss or leakage caused by cyber-attacks. In addition, we from time to time examine the security of our data storage system. We strictly restrict the range of data that our employees are authorized to access based on their seniority and function. We have entered into confidentiality agreements with our employees to prevent improper use or disclosure of information.

Pursuant to the Data Security Law of the People's Republic of China (中華人民共和國數據安全法), the security management of the cross-border transfer of important data collected and generated by critical information infrastructure operators, in the course of their operations within the territory of the People's Republic of China shall be governed by the provisions of the Cybersecurity Law; the administrative measures for the security management of the cross-border transfer of important data collected and generated by other data processors in the course of their operations within the territory of the People's Republic of China shall be formulated by the national cyberspace administration in consultation with relevant departments of the State Council. Pursuant to the Provisions on Promoting and Regulating Cross-Border Data Flow (促進和規範數據跨境流動規定), data processors shall identify and declare important data in accordance with relevant regulations. Data that has not been designated as important data by relevant departments or regions, or publicly announced as such, does not require data processors to submit a cross-border data transfer security assessment as important data. During the Track Record Period and up to the Latest Practicable Date, we have not received any notification designating us as a critical information infrastructure operator, nor are we involved in the cross-border transfer of personal information or important data.

In addition, we continue to pay close attention to the legislative and regulatory developments in cybersecurity and data protection and conduct routine cybersecurity and data protection compliance check and rectification to keep pace with regulatory development. In particular, we have established a set of internal cybersecurity and data protection rules and policies. We have also formulated the overarching data security management policy, user personal information protection management policy and network security management policy, which provide the principal management rules on cybersecurity and data protection.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of customer information. As we mainly engage in transactions with enterprises, our business does not involve the

collection or processing of personal or sensitive personal information of individual consumers; in the course of conducting business, the data collected by us primarily relates to employee information, customer and supplier contact information, and other information necessary for operation and management.

We occasionally collect, store, and use certain personal information of customers or prospective customers in the ordinary course of our business. When customers fill out relevant registration requests on our official website membership system, mini-programs, or WeChat public accounts, their personal information is collected, mainly including name, phone number, email address, company name, and city. The aforementioned information is voluntarily provided by the customer or prospective customers to us and we collect and use the information solely to respond to the customer's requirements. Apart from collecting contact information from customers through the aforementioned methods, we do not collect personal information through any other public channels such as operating websites, applications, or mini-programs on online platforms.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties related to data protection, privacy, cybersecurity, or cross-border data transfer, nor had we ever been involved in any legal proceedings concerning the aforementioned matters. Our PRC Legal Advisor is of the view that we had complied in all material respects with the applicable Chinese laws and regulations concerning data protection and privacy, cybersecurity, and cross-border data transfer during the Track Record Period and as of the Latest Practicable Date.

TRADE RESTRICTIONS, SANCTIONS, AND TARIFF

U.S. Export Control Implications

The U.S. Department of Commerce's Bureau of Industry and Security (the "BIS") maintains various lists of entities and individuals subject to enhanced export controls. Among these, the Entity List imposes trade restrictions on designated foreign persons, including companies, research institutions, government and private organizations, and individuals. Listed parties are assigned specific licensing requirements on the basis of the national security and/or foreign policy considerations associated with the entity's designation on the Entity List, and restricted from accessing certain U.S.-origin items, such as goods, software, and technology. Certain entities on the Entity List also carry a footnote 4 designation. For these entities, "items subject to the EAR" includes not only U.S.-origin items but also foreign-produced items that fall under EAR pursuant to Part 734.9(e)(2), such as products derived from specified U.S. technology or equipment.

Certain customers of ours have been listed on the Entity List (the "Entity List Customers"), and within them, several have been designated with Footnote 4 (the "Footnote 4 Entity List Customers"). During the Track Record Period, we had transactions with 17 Entity List Customers, and the revenue generated from Entity List Customers accounted for approximately 2.8%, 0.4% and 1.7% of our total revenue for 2023, 2024, and 2025, respectively. Within the Entity List Customers, we had transactions with five Footnote 4 Entity List Customers during the Track Record Period, and the revenue generated from them accounted for approximately 0.4%, 0.1% and 0.2% of our total revenue in 2023, 2024, and 2025, respectively. Nonetheless, our International Sanctions Legal Advisor is of the view that transactions with the Entity List Customers and Footnote 4 Entity List Customers would not be subject to the EAR on the following basis: (1) items we purchased do not contain any controlled U.S.-origin component or technology subject to the Export Administration Regulations, 15 C.F.R. Parts 730-774 (the "EAR"); (2) the robotic products we sold were manufactured in China and do not incorporate any controlled U.S.-origin commodities or are bundled with any controlled U.S.-origin software; and (3) transactions with the Footnote 4 Entity List Customers do not subject to the relevant Foreign Direct Product Rule (the "FDPR") as no software or technology specified in the relevant FDPR was used during the products manufacturing with confirmation by us and our suppliers.

U.S. Sanctions

During the Track Record Period, we sold our robotic products to several overseas countries and regions. None of the countries and regions fall within the definition of the sanctioned country under Chapter 4.4 of the Guide for New Listing Applicants (the "Sanctioned Country").

U.S. sanction are divided into "primary sanctions" and "secondary sanctions." Transactions violating primary sanctions generally involve a U.S. nexus and a sanctioned person (including individuals and entities) or a sanctioned jurisdiction. Non-U.S. persons may violate U.S. primary sanctions by engaging in U.S.-nexus transactions. A U.S. nexus generally includes: (i) involvement of U.S. persons/entities (including U.S. citizens, lawful permanent residents, U.S.-registered entities—including their foreign branches—third-country entities owned/controlled by U.S. persons, and individuals/entities physically present in the U.S. during the transaction); (ii) use of U.S.-origin goods, software, technology, or services; (iii) U.S. dollar payments processed through the U.S. financial system; (iv) transactions conducted in U.S. dollars (even if cleared outside the U.S.); (v) involvement of U.S. banks as advising banks; (vi) participation of U.S. branches/affiliates in the transaction; and (vii) shipments transiting through the U.S. For transactions without U.S. nexus, the U.S. government may still threaten to impose secondary sanctions (such as designation to Specially Designated Nationals and Blocked Persons List ("SDNs") List or relevant sanction lists) to deter non-U.S. persons from engaging in specific activities involving Sanctioned Countries, industries, and/or persons. During the Track Record Period, we conducted Russia-related transactions through a distributor-based model operated by one of our subsidiaries. Apart from our Russia-related business, we also conducted transactions with a customer that was listed on the SDNs List in September 2024. As our transactions did not have any U.S. nexus, our International Sanctions Legal Advisor is of the view that (1) our Russia-related transactions do not represent any Primary Sanctioned Activity, (2) our exposure to secondary sanctions risks arising from the Russia-related transactions is remote, (3) our transaction with the SDNs Customer (as defined below) does not constitute a Primary Sanctioned Activity, and (4) our exposure to secondary sanctions risk arising from our transaction with the SDNs Customer is relatively low, on the following more detailed basis. As of the Latest Practicable Date, we had not been subject to any inquiry, investigation or penalty in relation to the Russia-related transactions and the transaction with the SDNs Customer.

Primary Sanctions

We conducted Russia-related business through one of our subsidiaries, a domestic entity incorporated in Shandong Province, China. Our Russia-related business, which spanned from June 2022 until their termination in July 2025, involved product sales to four local system integrators for subsequent resale to downstream customers. As of the Latest Practicable Date, we were not subject to any inquiry, investigation or penalty in relation to our sales to Russia. Since no counterparties of our Russia-related transactions were listed on the SDNs, and there is no evidence indicating that our Russian-related business may involve deceptive practices used to evade U.S. sanctions against Russia. As advised by our International Sanctions Legal Advisor, given that our Russian-related transactions did not have any U.S. nexus, our sales to Russia do not represent any Primary Sanctioned Activity.

Apart from our Russia-related business, one of our customers was listed on the SDNs List (the "SDNs Customer") in September 2024. We conducted transactions with the SDNs Customer in December 2024, July 2025, and October 2025 after its designation on the SDNs List the revenue generated from such SDNs Customer accounted for 0.1% and 0.01% of the Group's total revenue for 2024 and 2025. As advised by our International Sanctions Legal Advisor, in the absence of evidence indicating that our business with the SDNs Customer may involve deceptive practices used to evade U.S. sanctions, since no U.S. nexus was involved in the transactions with the SDNs Customer, such transactions do not constitute Primary Sanctioned Activities. We ceased all transactions with the SDNs Customer in October 2025.

Secondary Sanctions

The U.S. has also implemented secondary sanctions under various sanctions programs, generally threatening sanctions on non-U.S. persons who conduct certain transactions for, on behalf of, or benefiting any SDNs List entity. Operating in certain sectors in Russia may also subject an entity to secondary sanctions risks.

With respect to our business activities involving Russia, we did not operate any entity in Russia and all the Russia-related transactions were conducted between one of our subsidiaries and four local integrators in Russia. To the best of our knowledge, the downstream end-users include facilities of Mars, Nestlé, and similar entities; however, we did not have complete visibility into the full end-user information. During our entire involvement in the Russia-related business which commenced in June 2022 and terminated in July 2025, the total revenue we generated from sales to Russia was RMB10.4 million, accounting for only approximately 0.9% of our total revenue during the Track Record Period. Additionally, all the Russia-related transactions had no U.S. nexus and were denominated in RMB. We have terminated all the Russia-related business in July 2025 and do not expect to further expand our sales efforts there in the future. As advised by our International Sanctions Legal Advisor, our exposure to secondary sanctions risks under the Russian sanctions regime is remote, mainly because:

(1) all Russia-related transactions we conducted have no U.S. nexus, and products we sold to Russia did not include any items listed on the Russia Critical Items Determination issued pursuant to subsection 11(a)(ii) of E.O. 14024, which was issued on December 22, 2023, identifying certain items that support Russia's military-industrial base. Such items include machine tools and manufacturing equipment, materials for semiconductors and related electronics, chemical precursors for propellants and explosives, advanced optica systems. None of the products sold by us fell into any of the foregoing categories;

(2) we do not engage in local manufacturing but solely conduct sales to local integrators in Russia. In this business model, we have less exposure to the Russian economy with no contact with local technology providers, banks, or other business service providers; and

(3) the total revenue we generated from the Russia-related transactions accounted for only approximately 0.9% of our total revenue during the Track Record Period, and we terminated the Russia-related business in July 2025.

With respect to the transactions with the SDNs Customer, our Directors are of the view, as advised by our International Sanctions Legal Advisor, that the secondary sanctions risk arising therefrom is relatively low, considering that (1) such transactions do not trigger the primary sanctions risks under the U.S. sanctions regime as no U.S. nexus is involved; (2) the secondary sanctions risk arising therefrom is relatively low since transactions with the limited value (less than USD 66,000) are unlikely to be deemed as providing material assistance to the SDNs Customer, and (3) we have verified that transaction products with the SDNs Customer were its for own use without onward resale.

Termination of the Russia-related Business and the Internal Control Measures

In July 2025, we engaged our Internal Control Consultant, which identified the Russia-related risk matter during the internal control review process. Upon such identification, we immediately terminated the Russia-related business in July 2025 upon awareness. To further enhance our sanctions-related internal control, we engaged our International Sanctions Legal Advisor in September 2025. Our International Sanctions Legal Advisor then commenced due diligence and identified that we had been conducting such Russia-related business since 2022. In light of the U.S. sanctions specifically imposed on Russia, our International Sanctions Legal Advisor performed a corresponding analysis, which alerted us to potential sanctions-related risks arising from these activities. Following the identification of these issues, we took remedial actions regarding the previous Russia-related business under the guidance of our Internal Control Consultant and International Sanctions Legal Advisor and enhanced our sanctions compliance framework in September 2025. In particular, we implemented and strengthened our *Customer Management Policy* and sanctioned entity screening procedures, covering customer onboarding, sanctions screening using public information and ongoing monitoring mechanisms, and incorporated export control and sanctions

compliance provisions into our standard sales contract templates to further mitigate sanctions-related risks. The timing of these actions reflects our gradual enhancement of our internal control framework, which was less robust in previous periods but has since been significantly strengthened.

As we intend to continue our business in compliance with applicable international sanctions, in order to identify and monitor our exposure to risks associated with sanctions laws, we have implemented the following internal control measures:

- *Customer Management Policy and third-party screening*. Our Customer Management Policy explicitly requires that, when selecting customers, we use third-party tools such as enterprise information platforms (e.g., Qichacha and Tianyancha) to verify corporate registration and background information, as well as compliance screening tools and public sanctions screening databases including, for example, the OFAC sanctions search platform and OpenSanctions databases, to verify basic customer information and screen for high-risk customers. This combined approach allows us to verify customer identity and background information on a timely basis, screen against up-to-date sanctions lists and identify potential risks at an early stage. We prohibit cooperation with any entity listed on a sanctions list.

- *Contractual safeguards*. We have incorporated export control and sanctioned-entity screening clauses into our standard sales contract templates, providing additional contractual deterrence and ensuring that our counterparties are aware of and bound by sanctions compliance obligations. These clauses include (1) representations and warranties that customers and their affiliates are not sanctioned entities and that the information provided is true and complete; (2) ongoing undertakings not to transfer our products or services to sanctioned parties or use them in violation of applicable laws, and to promptly notify us of any sanctions-related changes; and (3) contractual rights for us to suspend transactions, terminate the contract and seek compensation if a sanctions risk is identified.

- *Continuous monitoring and periodic re-screening*. In addition to initial screening, we carry out ongoing monitoring of our customers throughout the term of cooperation. This includes periodic reviews of existing counterparties and re-screening against updated sanctions lists. Where new sanctions designations or risk indicators arise, we carry out additional screening and escalate the matter to our legal and compliance team for review to determine whether the transaction should proceed, be suspended or be terminated.

Moreover, our sanctions compliance team is led by our chief financial officer, with support from the business, finance and legal teams, to ensure coordinated implementation. During customer onboarding, the business team conducts initial background checks and sanctions screening, followed by review by the finance and legal functions before approval. During the course of cooperation, we conduct continuous monitoring, including periodic re-screening of customers. Where any potential sanctions risk is identified, the matter is escalated to the finance and legal team to determine whether to proceed, suspend or terminate the transaction.

Based on the review performed on the samples provided by us for the relevant period, our Internal Control Consultant is of the view that the above internal control enhancement measures are adequately designed, in all material respects, to address the risks associated with compliance with applicable sanctions laws.

Other International Sanctions

During the Track Record Period, since we did not conduct business with any parties sanctioned by the United Nations, European Union, United Kingdom or Australia, we are advised by our International Sanctions Legal Advisor that our business activities did not implicate restrictive measures adopted by the United Nations, European Union, United Kingdom or Australia.

Apart from the above, as we have not engaged in sanctioned or sanctionable activity involving any person listed on the sanctions lists of the U.N., E.U., U.K., Australia, and other applicable jurisdictions. Although the Relevant Jurisdictions impose sanctions against Russia, given that our Russian-related

businesses have no nexus with the E.U., U.K., Australia and other applicable jurisdiction, our International Sanctions Legal Advisor is of the view that there are no indications that our business have ever violated any applicable sanctions laws and regulations in all jurisdictions where we operated during the Track Record Period and up to the Latest Practicable Date.

The U.S. Outbound Investment Rules

The U.S. outbound investment review mechanism in force is narrowly targeted at certain types of investments in the country and typically the restrictions target sensitive technologies and products critical for military, intelligence, mass-surveillance, or cyber-enabled capabilities. If no covered activity is involved in the transaction, the transaction is not within the jurisdictional scope of the U.S. outbound investment review.

We have developed our embodied AI model training platform, which is a system that spans from basic automation to artificial general intelligence. We are advised by our International Sanctions Legal Advisor that our business should be categorized as a notifiable activity, as developing an AI system intended to be used for the control of robotics systems. Therefore, we are advised by our International Sanctions Legal Advisor that we are a "covered foreign person" under the Outbound Investment Rule and the [**REDACTED**] may constitute a notifiable transaction under the relevant rules, and U.S persons participating in the [**REDACTED**] may be subject to notification obligations to the U.S. Treasury, while subsequent secondary market transactions are generally exempted. Once our H Shares are [**REDACTED**] and become [**REDACTED**], subsequent purchasers are exempted under the publicly traded securities exception. [**REDACTED**] that are U.S. persons should consult their own legal counsel regarding the applicable compliance requirements, including their notification obligation, if any, under the Outbound Investment Rule in connection with the [**REDACTED**]. See "Risk Factors—Risks Relating to Our General Operations and Industry—We are exposed to risks associated with U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by U.S. persons for certain investments."

Tariff

Our Directors are of the view that the tariff measures across the U.S., the European Union and China do not have a material adverse impact on our business operations and financial condition, primarily because (1) our business operates through localized manufacturing and production activities in China, which are insulated from tariff-related cost pressures; (2) we had limited revenue generated from overseas markets during the Track Record Period, accounting for 14.3%, 9.0% and 8.9% of our total revenue in 2023, 2024 and 2025, respectively, where our revenue generated from the United States was RMB0.3 million, RMB0.1 million and RMB1.2 million in the same years, respectively, accounting for 0.1%, 0.02% and 0.2% of our total revenue in the same years, respectively; and (3) our supply chain minimizes cross-border exposure as most of our suppliers are China-based suppliers such that we do not rely on overseas supply chains.

Additionally, our Directors are of the view that we have no material indirect exposure arising from the tariff measures across the U.S., the European Union and China, primarily because (1) over 90% of our revenue in 2025 was generated from direct sales to end customers located in Chinese Mainland, including manufacturers and system integrators which incorporate our products in their production process in Chinese Mainland, where such transactions do not involve cross-border tariff exposure, and we generally do not engage in direct exports to the United States nor in re-export arrangements involving the United States market, and (2) approximately 99% of our overseas revenue are conducted under trade terms where customers bear the responsibility for transportation, customs clearance and applicable tariffs and duties, including commonly used Incoterms such as EXW (Ex Works) or FOB (Free on Board) and other similar arrangements, with only approximately 1% of our export transactions conducted under DDP (Delivered Duty Paid) terms, under which we are responsible for tariffs and duties.

Going forward, while we expect the contribution of our overseas revenue to continue increasing as we expand our international footprint, we believe our exposure to tariff risks in the U.S., the European Union and other jurisdictions remains limited under our established business model and trading arrangements. In particular, we generally adopt consistent trade terms across overseas markets under

which customers bear responsibility for transportation, customs clearance and applicable tariffs and duties, with only approximately 1% conducted under DDP terms, under which we are responsible for tariffs and duties. We will continue to adopt this trade model, while maintaining pricing flexibility and closely monitoring global trade developments to mitigate potential risks and support the resilience of our overseas expansion. Additionally, our products are sold in over 40 countries and regions. See "Financial Information — Key Components of Our Consolidated Income Statements — Revneue" for discussion of breakdown of our overseas revenue during the Track Record Period. This broad geographic coverage reduces our reliance on any single market and mitigates the impact of tariff changes in specific jurisdictions. In the event of adverse tariff developments in certain markets, we are able to reallocate resources and further expand into other regions, including emerging markets and countries within the Regional Comprehensive Economic Partnership framework, which offer relatively favorable trade conditions and strong growth potential. See "Business — Our Growth Strategies — Continue to Expand Overseas to Grow Customer Base and Enhance Brand Influence." Furthermore, we also believe that our solid relationships with a high-quality customer base, which are typically underpinned by product performance, reliability and integrated solutions, will contribute to customer stickiness and reduce sensitivity to short-term cost fluctuations arising from tariff changes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We believe the effective management of environmental, social and corporate governance ("ESG") matters is important to our long-term success. We are committed to promoting long-term growth in a prudent and responsible manner, and regard ESG as an integral component of both value creation and risk management.

ESG Governance

We have established a systematic ESG governance framework to ensure that ESG considerations are effectively integrated into our strategy, risk management and operations. Our Board assumes ultimate oversight of ESG matters, regularly reviews material issues, assesses potential business and financial impacts and guides risk response measures. Our Board also conducts regular reviews of ESG-related risks and opportunities and provides guidance on the formulation of corresponding response measures. Our Board oversees areas such as ethics, environmental compliance, supply chain management and employee development, ensuring that related risks and opportunities are addressed effectively. Regular ESG reporting and training are arranged to help our Board stay informed of emerging risks, regulatory changes and global sustainability trends.

We have also established internal control mechanisms covering ESG policy implementation, target progression, disclosure and performance evaluation, and we continue to refine governance arrangements with business development and regulatory requirements. We will further enhance our Board and management oversight of ESG matters and refine governance and execution processes to strengthen overall sustainability management.

Our production processes mainly consist of robot assembly, testing and R&D, and we do not fall within high-pollution or high-energy-consumption industries. Our overall ESG risk exposure is relatively low. With reference to publicly available disclosures of listed comparable companies in the robotics industry, our environmental emission and resource consumption intensity indicators are within the reasonable range of the industry. As our business further matures and ESG data accumulation advances, we will continue to conduct industry benchmarking and supplement comparable quantitative information in due course.

ESG Materiality Assessment

We are actively developing a well-structured and closed-loop ESG management system. At the governance mechanism level, the Board will take the lead in conducting materiality assessments of ESG issues, positioning this as a core component of sustainable development. The Board will oversee the review process for ESG risk topics that impact business operations, while also tracking the implementation of related management measures throughout their lifecycle. This ensures that ESG management advances in step with corporate strategy.

Within the topic assessment process, we are committed to establishing a full-cycle assessment mechanism for ESG material issues. This involves first conducting a comprehensive review of potential risks and opportunities related to our business, taking into account internal and external factors, short- to medium-term strategic plans, and financial implications, to compile a list of material topics. We will then engage in regular communication with key stakeholders, encouraging their participation in ESG surveys to fully incorporate their feedback. Finally, using stakeholder input as a key reference and integrating conclusions from management evaluations, we will confirm and prioritize material issues, forming the annual ESG materiality assessment results.

At the indicator management level, based on the annual ESG materiality assessment outcomes, we will establish quantifiable key performance indicators for core material topics. By closely monitoring these indicators, we aim to achieve dynamic monitoring and control of risk exposures associated with relevant topics, as well as ongoing tracking of performance. This approach enhances the scientific rigor and traceability of our ESG management.

ESG Risks and Opportunities

The Board will continuously monitor environmental, social, and governance risks that may impact the business, strategy, and finances, and will, under its supervision, persistently identify and monitor short-, medium-, and long-term ESG risks and opportunities. Within a reasonable range of assumptions and in line with actual production operations and the Company's strategic development, specific quantifiable ESG risk indicators will be established.

We will set climate risk assumptions against the backdrop of the ongoing advancement of global and China's "dual carbon" policies, the gradual refinement and absence of disruptive adjustments to regulatory standards related to new energy and low-carbon manufacturing, and the continuity of industry standards such as ESG disclosure and carbon footprint accounting. Targets will be established, such as the increase in the renewable energy usage rate and the attainment rate for R&D investment in low-carbon technologies. For supply chain risks, assumptions include the simultaneous enhancement of ESG transition emphasis and execution capabilities among upstream and downstream suppliers, their ability to collaborate in promoting coordinated carbon reduction and deepened industry-academia-research cooperation, and the stability of core technology R&D and conversion efficiency. We will set targets such as the proportion of suppliers with ESG ratings and the coverage rate of supplier ESG audits. For these targets, the Board will hold dedicated ESG meetings regularly to update and track the progress of quantifiable ESG targets, conduct ESG risk and opportunity assessments, and dynamically adjust targets and implementation strategies in response to policy and market changes. Concurrently, key professional training on carbon management, supply chain ESG governance, data security, and other areas will be conducted regularly to enhance the control capability over quantifiable targets.

We actively identify and manage material ESG risks. Considering the actual development of our core business, our major emissions and waste currently do not constitute material ESG risks. We will conduct a comprehensive ESG risk assessment at least annually, covering current and potential risks (including but not limited to risks arising from ESG factors and climate change), and will proactively address relevant risks through measures such as reduction, transfer, acceptance, or control. Furthermore, following an annual review of ESG risks related to the environment, society, and climate change, we will modify and adjust ESG strategies and corporate governance policies as appropriate. Regarding climate-related transition risks, we will take the following actions:

In response to climate transition risks, which primarily arise from external changes such as the tightening of low-carbon policies, adjustments to energy structures, and the upgrading of market demand for green products, we will formulate systematic response actions.

In response to physical risks, we will establish a regular inspection mechanism for core facilities including production workshops and warehousing centers, focusing on identifying potential hazards related to structural safety and equipment stability under extreme weather conditions.

In response to carbon emission risks, we will continuously strengthen low-carbon transformation in the production process, optimize production technologies to improve the efficiency of energy utilization such as electricity, gradually increase the proportion of renewable energy in production energy consumption, and reduce direct carbon emissions in the production link.

We are in the process of formulating a systematic quantitative ESG target framework, which will be formally incorporated into our ESG management framework upon review and approval by the Board. As an important component of this target framework, we have already made substantial progress in the use of renewable energy. The rooftop distributed photovoltaic power station contract was signed in September 2024, and the Phase I 0.8 MW photovoltaic project was connected to the grid and commenced power generation on 28 May 2025, adopting the "self-generation for self-consumption, with surplus electricity fed into the grid" model with an energy efficiency benefit sharing period of 25 years. As our production electricity consumption is still in a ramp-up phase, we will initiate the planning, design and construction of a Phase II photovoltaic project in due course once production electricity consumption further increases, thereby further raising the proportion of renewable energy coverage.

We continuously optimize production processes to improve energy efficiency, adopt high-efficiency energy-saving equipment, and dynamically track and adjust target progress through regular Board ESG meetings. In addition, we will set corresponding quantitative targets in respect of supply chain ESG management, including supplier ESG audit coverage rate and the proportion of suppliers with ESG ratings. Such indicators will be formally disclosed upon thorough deliberation with business departments and approval by the Board.

Environmental Protection

We place a strong emphasis on environmental protection and have taken proactive measures to control the negative environmental impact of our business. Our business operations, including the manufacturing process of our robots, may generate solid waste and hazardous waste. We adopt advanced environmentally friendly manufacturing equipment, install environmental protection facilities for the treatment of exhaust gases and regular testing, and optimize our manufacturing process to reduce the generation of pollutants and other negative impacts during the manufacturing process.

Based on the technical characteristics of the robotics manufacturing industry and key environmental risk concerns, we have formulated targeted and innovative environmental ESG policies and measures, establishing a closed-loop system, particularly in full life-cycle material management and standardized waste disposal. We explicitly integrate environmental risk control into the entire process of product R&D, manufacturing, and waste disposal, clearly refraining from using highly polluting raw materials, adopting high-emission production processes, or disposing of any waste in violation of regulations, thereby ensuring full compliance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and other domestic and international standards. We focus on breakthroughs in areas such as the application of lightweight materials, optimization of low-emission processes, and waste recycling technologies, leveraging core robotics technologies to contribute to environmental governance and achieve "pollution control through technology."

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties by the competent environmental protection authorities for violations of PRC environmental laws, and our PRC Legal Advisor is of the view that we have complied with the applicable PRC laws and regulations regarding environmental protection in all material respects.

During the Track Record Period, the fluctuations in our resource consumption and emission indicators were broadly consistent with the expansion of our business scale. Total electricity consumption grew in line with revenue, while greenhouse gas emission intensity per unit of revenue recorded a cumulative decrease, reflecting continuous improvement in energy efficiency. The increase in water consumption was mainly attributable to the growth in domestic water usage driven by the expansion of our workforce, yet water consumption intensity per unit of revenue declined significantly, demonstrating markedly enhanced water use efficiency. The increase in waste generation was driven by both production scale expansion and workforce growth. We have established a sound waste classification and disposal system, and all hazardous waste is disposed of in compliance with regulations.

Energy Management

Our primary energy and resource consumption is concentrated in electricity and water usage. Energy management falls under the overall oversight and coordination of the Board of Directors. The Board will conduct an annual review of material key performance indicators related to energy management to ensure the targets align with the Company's development needs. During the review process, the Board will comprehensively consider various internal and external influencing factors, while benchmarking quantified targets against historical actual data to ensure the goal-setting is both reasonable and achievable, consistent with the Group's operational and development pace. Our major energy consumption data in recent years is as follows:

			Year ended December 31,		
Category	**Indicator**	**Unit**	**2023**	**2024**	**2025**
Greenhouse Gases	Gasoline Consumption	RMB	9,775.37	10,331.37	10,915.29
	Diesel Consumption	RMB	–	–	–
	Office Area	square meters (m^2)	9,959.85	10,261.21	10,148.83
	Office Computer Procurement	unit(s)	25	26	140
	Commercial Vehicles (Company-owned)	unit(s)	6	9	9
	Commercial Vehicle Weight	tonne(s)	11.22	18.361	18.361
	Carbon Dioxide Emissions (Scope 1)	tonnes of CO_2 equivalent (tCO_2e)	31.898	33.711	35.618
	Carbon Dioxide Emissions (Scope 2)	tonnes of CO_2 equivalent (tCO_2e)	912.789	1,091.133	1,458.552
	Carbon Dioxide Emissions (Scope 3)	tonnes of CO_2 equivalent (tCO_2e)	3,328.456	3,476.956	3,459.864
	Total Greenhouse Gas Emissions (Scope 1, Scope 2 and Scope 3)	tonnes of CO_2 equivalent (tCO_2e)	4,273.143	4,601.8	4,954.034
	Total Greenhouse Gas Emissions per Unit of Revenue	tonnes of CO_2 equivalent per RMB1 million	16.003	14.148	9.454
Electricity Consumption	Total Electricity Consumption	kilowatt-hours (kWh)	1,558,724.58	1,863,273.34	2,490,696.47
	Total Electricity Consumption per Unit of Revenue	kilowatt-hours per RMB1 million	5,837.37	5,728.62	4,753.24
Water Consumption	Total Water Consumption	tonne(s)	43,748	12,992	17,827
	Total Water Consumption per Unit of Revenue	tonnes per RMB1 million	163.83	39.94	34.02
Waste	Total Non-Hazardous Waste	tonne(s)	2.15	4.8	13.3
	Non-Hazardous Waste Density	tonnes per RMB1 million	0.008	0.015	0.025
	Total Hazardous Waste	tonne(s)	0.42	2.315	12.11
	Hazardous Waste Density	tonnes per RMB1 million	0.002	0.007	0.023

Our total Scope 1 and Scope 2 emissions in 2025 amounted to approximately 1,494.17 tonnes of CO_2 equivalent. Based on the revenue in 2025, our Scope 1 and Scope 2 emission intensity was approximately 2.86 tonnes of CO_2 equivalent per RMB million of revenue. A comparison with listed peer companies in the A-share and Hong Kong stock markets (whose Scope 1 and Scope 2 emission intensity ranges from approximately 2 to 4 tonnes of CO_2 equivalent per RMB million of revenue) shows that our emission intensity is at the industry median level and is broadly comparable to peers of similar revenue scale, with no material deviation. However, based on the Scope 3 emissions disclosed by our peers (560.01 tonnes of CO_2e), our reported Scope 3 emissions are higher than those disclosed by our peers. The main reasons for this material variation are: (1) inconsistencies in the accounting methodology for Scope 3 emissions; and (2) our accelerated global expansion in 2025, which resulted in a corresponding increase in emissions associated with our operational activities. Nevertheless, we still need to take concrete measures to reduce our greenhouse gas emissions.

We plan to implement a systematic greenhouse gas emission reduction plan after [**REDACTED**], following the principles of "quantifying the baseline, setting targets, obtaining board approval, and progressing step by step" to ensure that the reduction efforts are measurable and traceable.

- *Phase 1: System Setup and Target Setting*. Draft a medium-to-long-term greenhouse gas emission reduction plan; submit the reduction plan to the board of directors for approval.Within one year after [**REDACTED**];

- *Phase 2: Clean Energy Application and Energy Saving Retrofits*. Continue the implementation of rooftop distributed solar power projects based on actual production and operation conditions; Implement a high-energy-consumption equipment replacement and retrofitting plan based on actual production and operation conditions.

- *Phase 3: Scope 3 Emission Control*. Establish a carbon emission data tracking mechanism for business travel, and encourage remote collaboration and low-carbon business trips. Actively collaborate with suppliers to reduce Scope 3 carbon emissions;

- *Phase 4: Monitoring and Continuous Improvement*. Assess and dynamically adjust the medium-to-long-term reduction targets and roadmap every two years based on actual reduction results.

Waste Management

We implement a refined system for waste classification, storage, and disposal management:

For general solid waste, packaging materials, plastic scraps, metal waste, and similar items are categorized in detail. Recyclable materials such as aluminum scraps and plastic shell waste are regularly collected by the administrative department and sold to professional renewable resource enterprises to achieve material recycling. Non-recyclable materials are transferred to the plant management department for centralized and harmless treatment.

For hazardous waste generated during robot production, including waste batteries, empty chemical containers, spent activated carbon, and discarded electronic components containing heavy metals (such as waste circuit boards), separate classification standards are established, and clear hazard labeling is applied to prevent mixing with general waste.

For discarded electronic equipment and components such as decommissioned robot units, obsolete sensors, and scrapped circuit boards, dedicated anti-static collection areas are designated for sorted storage. Information such as equipment models and reasons for disposal is recorded simultaneously to provide a clear basis for subsequent resource recovery.

Employment

We have always adhered to the "people-oriented" philosophy, recognizing that employees are crucial to the company's sustainable development. Through a series of measures, we safeguard the legitimate rights and interests of our employees and attract and retain top talent with competitive compensation packages. Details of our employment are as follows:

	As of December 31, 2025	
	Number of Employees	Percentage
Gender		
Male	492	79.61%
Female	126	20.39%
Total	**618**	**100%**
Age		
Under 30 years old (excluding 30)	278	44.98%
30-40 years old (including 30, excluding 40)	274	44.34%
40-50 years old (including 40, excluding 50)	65	10.52%
50-60 years old (including 50, excluding 60)	1	0.16%
60 years old and above	0	0.00%
Total	**618**	**100%**
Educational Background		
Doctoral Degree	2	0.32%
Master's Degree	97	15.70%
Bachelor's Degree	236	38.19%
Below Bachelor's Degree	283	45.79%
Total	**618**	**100%**

	As of December 31,					
Employee Turnover Rate	**2023**		**2024**		**2025**	
	Turnover Rate	*Percentage*	*Turnover Rate*	*Percentage*	*Turnover Rate*	*Percentage*
Male	25%	83%	19%	84%	19%	86%
Female		17%		16%		14%

We strictly comply with domestic and international laws and regulations, prioritizing the health and safety of our employees and the community, and fully implement the provisions of the Labor Law of the People's Republic of China and other relevant regulations, establishing a compliance management system that covers the entire employee life-cycle. We actively advocate for diversity and inclusion, and prohibit discriminatory practices based on factors such as age, gender, or disability.

Workplace and Occupational Safety

We have established workplace safety policies and procedures to ensure that all parts of our operations are compliant with applicable laws and regulations in all material respects. Specifically, we established safety inspection team to execute and implement our workplace safety policies. Our safety inspection team is responsible for identifying potential safety risks and devising corresponding treatment, including those relating to electrical devices, manufacturing equipment, hazardous materials and building structures. Upon identifying any such safety hazards, our safety inspection team maintains written records of hazard description and underlying causes and reports to our safety manager, and collaborates with operational departments to complete corrective actions based on the identified hazards. In addition, we

adopted a series of preventive measures to further ensure workplace and occupational safety. For instance, we periodically organize safety training and safe production meetings to enhance employees' workplace safety awareness. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant workplace accident or encounter any material non-compliance issues with respect to any applicable laws and regulations on occupational safety.

Employee Rights and Benefits

We have established a benefits system to safeguard the health and well-being of our employees. This includes full contributions to statutory social insurance and housing funds and annual health checkups.

In terms of compensation, we have implemented a structured incentive system that covers performance bonuses, position allowances and long-term incentive plans. This ensures a fair, transparent and competitive remuneration framework that balances market competitiveness with internal motivation. Our workplaces are primarily office based, with low operational risks. Safety measures are in place to comply with occupational health and safety standards.

We place strong emphasis on employee development and career growth through a structured training system covering onboarding, skills enhancement, professional expertise and leadership development. We also promote diversity and inclusion by ensuring fair and transparent recruitment practices.

Supply Chain Management

We are committed to establishing a responsible supply chain system, ensuring that suppliers comply with the Company's sustainable development requirements through a systematic environmental, social, and governance (ESG) monitoring mechanism.

We actively integrate ESG standards into the supplier on-boarding and re-evaluation processes, establishing a comprehensive assessment system covering environmental management, labor rights, work safety, and business ethics. We implement ESG due diligence on suppliers through a combination of document reviews and on-site audits. In terms of environmental management, we review suppliers' environmental compliance records, pollutant emission controls, and resource use efficiency. Regarding social responsibility, the focus is on auditing suppliers' occupational health and safety systems. In governance, the emphasis is on reviewing suppliers' business ethics standards and anti-corruption mechanisms. Approved suppliers are required to execute the "Business Ethics and Integrity Commitment Letter" to ensure the binding force and enforceability of supply chain compliance management.

We implement dynamic management and supervision of qualified suppliers, conducting focused audits on high-risk suppliers. Furthermore, we will actively incorporate ESG into the supplier performance tracking system, regularly evaluating their performance on key indicators in areas such as environmental emissions, work safety, and labor protection. For suppliers with deficiencies, corrective actions will be developed with deadlines for rectification, ensuring closed-loop management of issues.

Data Security and Privacy Protection

We treat data security and privacy protection as a critical core component of our ESG governance, effectively ensuring a high level of protection for customer privacy and fully complying with the stringent requirements of relevant laws and regulations concerning data security and privacy protection. We strictly adhere to the data minimization principle, comprehensively safeguarding customer privacy, security, and data compliance. A strict access segregation mechanism is implemented for customer information, wherein detailed customer information is only accessible to sales personnel, their direct line managers, and corresponding regional commercial personnel; personnel from other departments and functions are not granted access to customer information, thereby preventing unnecessary data exposure at the source. Furthermore, all data access permissions are precisely allocated based on multiple dimensions, such as core job requirements and assigned business regions. Only authorized personnel can access data involving customer privacy. Concurrently, the IT department and the Commercial Center conduct regular comprehensive reviews of data access permissions, dynamically verifying the rationality and compliance of permission assignments to ensure that the permission settings consistently align with the data minimization principle.

Business Ethics

We uphold the principle of integrity in business operations and maintain a zero-tolerance stance towards money laundering, bribery, and corruption. We have established and implemented a comprehensive compliance management system designed to prevent, detect, and address related risks. We foster a corporate culture of honesty and integrity, ensuring employees fully understand the Company's serious stance against fraud and bribery and their corresponding responsibilities. Furthermore, we require all suppliers and other business partners to adhere to our supply chain policy, which expressly prohibits any form of bribery and corrupt practices. Should any verified instances of misconduct—such as fraud, bribery, or money laundering—be identified in business operations, we will implement measures commensurate with the severity of the violation. These may include disciplinary action, termination of employment contracts, or cessation of business cooperation.

Community Relations

We consistently uphold the principle of being a responsible corporate citizen, actively cultivating community relations and fostering a positive interactive network with the community through diverse public welfare initiatives and the fulfillment of social responsibilities. During the pandemic, we proactively responded to epidemic prevention needs by donating RMB100, 000 to the Zhongxindian Town Government for the procurement of medical supplies, and additionally donated epidemic prevention materials totaling RMB80,000 in value to the Zoucheng City Public Security Bureau and Traffic Police Force. These actions provided tangible support for local COVID-19 control efforts and helped strengthen the public health security framework. In the area of educational support, we maintain a sustained focus on the development of underprivileged students, having sponsored eight high school students from impoverished backgrounds to complete their three-year high school education. This initiative builds a bridge for their educational growth, empowering youth development through educational philanthropy. Regarding employment empowerment, we actively practice the concept of equal employment by proactively hiring persons with disabilities. We provide them with fair employment opportunities and appropriate workplace accommodations, supporting individuals with disabilities in achieving self-realization and social integration, thereby demonstrating the Company's humanistic care and social commitment.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and recognitions in connection with our business. Some of the significant awards and recognitions we have received are set forth below.

Awards and Recognition	Awarding Parties	Year of Award
Fortune China Technology 50 (財富中國科技50強)	Fortune (財富)	2025
Wike Cup OFweek2024 China Robotics Industry Innovative Product of the Year Award (維科杯 OFweek 2024中國機器人行業年度創新產品獎)	OF Wikipedia (OF維科網)	2025
2024 Suzhou Robotics+Applications Typical Application Case Award (2024年度蘇州"機器人+應用"典型應用案例獎)	Suzhou Robot Industry Association (蘇州市機器人產業協會)	2025
Second Prize of the China General Chamber of Commerce (CGCC) Science and Technology Award (中國商業聯合會科學技術獎二等獎)	China General Chamber of Commerce (CGCC) (中國商業聯合會)	2024

Awards and Recognition	Awarding Parties	Year of Award
Second Prize of Shandong Provincial Science and Technology Progress Award (山東省科學技術進步二等獎)	Shandong Provincial People's Government (山東省人民政府)	2024
First Prize of the Chinese Association of Automation (CAA) Science and Technology Award (中國自動化學會一等獎)	Chinese Association of Automation (CAA) – CAA Science and Technology Award Committee (中國自動化學會: CAA科學技術獎勵委員會)	2023
Shandong Provincial Single Champion Enterprise in Manufacturing (山東省製造業單項冠軍企業)	Shandong Provincial Department of Industry and Information Technology (山東省工業和信息化廳)	2023

PATH TO PROFITABILITY

Our business model adopts a long-term, investment-led approach and focuses on value creation through sustained investment in core technology platforms upfront, including the development of our self-developed software algorithms, such as the xCore control system, which form the backbone of our technological foundation and validation platform and enable new functions and performance enhancements to be deployed across multiple product generations. As such, we recorded adjusted net losses (non-HKFRS measure) of RMB101.3 million, RMB72.5 million and RMB41.7 million in 2023, 2024 and 2025, respectively, primarily as a result of continued R&D investment and the expansion of our sales and marketing efforts, with R&D expenses of RMB59.4 million, RMB54.2 million and RMB65.5 million and selling and marketing expenses of RMB54.9 million, RMB63.0 million and RMB75.6 million during the same periods, respectively, which we believe are necessary to support our technology development and business growth and have contributed to the observed but progressively narrowing losses. We have historically achieved continuous revenue growth as we successfully developed and launched new products and solutions during the Track Record Period. Our proactive endeavors in product commercialization and market expansion have contributed to our revenue growth during the Track Record Period. Our revenue was RMB267.0 million, RMB325.3 million and RMB521.7 million in 2023, 2024 and 2025, respectively. We are one of the earliest domestic companies in China capable of producing both industrial and collaborative robots at an annual production exceeding 1,000 units, reflecting an industry trend toward integrated manufacturing automation, according to the CIC Report. In terms of revenue, our industrial robots ranked No. 6 among domestic providers in the Chinese market in 2025, with a market share of 0.9%, according to the same source. We served more than 1,000 customers across over 40 countries and regions.

We have continuously increased investment in R&D for further technological upgrades and iterations of our robotics products and solutions. With our forward design, modularly designed hardware and software, as well as the fully self-developed control systems, we are equipped to launch new iterations of products with high stability and reliability. During the Track Record Period, we developed and launched 37 new robotic product series, covering six application scenarios and all three types of our robotic product portfolio. We launch new product series and reach new application scenarios in response to a myriad of rising needs from downstream sectors. For example, our pipeline NB300 heavy-payload series robots are in response to the rising needs of the domestic new energy automobile industry, whose continuous expansion in production capacity has created a demand for domestically produced heavy-payload spot welding and riveting robots. Meanwhile, we are also strengthening our control system and technological architecture to further refine our process packages and performance of our robotic product offerings. With the market size of China's industrial robot expected to reach RMB23.9 billion, the collaborative robot industry to reach RMB11.1 billion in 2030 in terms of sales revenue, and the embodied intelligent robot industry to reach RMB460.0 billion by 2035, according to the CIC Report, we believe that our self-developed product offerings will bring sustainable revenue and profits in the years to come. During the Track Record Period and up to the Latest Practicable Date, we had secured confirmed orders for over

53,000 robots in total, comprising over 52,000 from domestic and over 1,400 from overseas customers, with over additional 23,000 robots in indicative demands supported by letters of intention, comprising over 21,000 domestic and over 1,300 overseas.

To expand our sales network, we plan to expand our reach domestically, deepen our presence overseas, and providing stellar customer care. Domestically, we plan to strength our presence in existing regions while expanding into smaller markets with a special focus on the photovoltaics, automotive components, and shipbuilding industries. We aim to add a number of new regional distributors by 2026, leveraging our major parts warehouses to ensure broad service coverage. We are accelerating our market penetration by strengthening our distributor networks overseas. In Japan, we have partnered with a leading industrial system integrator to build a distribution network and have already begun supplying leading local manufacturers. In Europe and America, we are accelerating the setup and certification processes for the distribution network. At the same time, to ensure customer retention, we plan to maintain strong relationships through regular customer visits and product technology exchanges, and actively participating in industry trade shows and partner conferences. To ensure total reliability, we provide 24/7 customer support with a guarantee of on-site service within 24 hours. To improve operational efficiency, we will also adopt the customer relationship management system to help manage our customer relationships and sales leads.

Despite our rapid revenue growth, we recorded net losses during the Track Record Period. We recorded loss for the year of RMB157.5 million, RMB191.8 million and RMB179.3 million in the same periods, respectively. Our net loss during the Track Record Period was primarily due to loss before tax, as a result of the combination of the following factors: (1) our relatively small business scale as a company with short operating history and limited commercialization, which led to lower operating leverage; (2) the interests on redemption liabilities in connection with the redemption rights of the [**REDACTED**] Investors, which were RMB68.2 million, RMB99.9 million and RMB122.3 million in 2023, 2024 and 2025, respectively, which will not be incurred after the completion of the [**REDACTED**]; (3) the significant investments in our R&D efforts; and (4) our continuous efforts in building an increasingly larger sales and marketing team with increased business development and customer service activities to expand our business with significant selling and marketing expenses. After adjusting (i) interest on redemption liabilities, (ii) modification of redemption liabilities, (iii) share-based payment expenses, and (iv) [**REDACTED**] expenses, we recorded adjusted loss for the year (non-HKFRS measure) of RMB[**REDACTED**] million, RMB[**REDACTED**] million and RMB[**REDACTED**] million in 2023, 2024 and 2025, respectively, primarily due to our relatively small revenue scale with gross profit insufficient to cover our significant investments in R&D and selling and marketing expenses. As our revenue gradually scales up, we expect to achieve economies of scale with operational leverage, where operating expenses will not increase proportionally with revenue, which will allow us to achieve profitability. During the Track Record Period, we remained in a net operating cash outflow position with fluctuations, primarily due to our net loss for the relevant periods. Our net operating cash outflow position was generally in line with our loss before tax position, adjustments for major non-cash items such as other gain and losses, finance cost, depreciation and amortization and write-down of inventories. In addition, our net operating cash outflow position was further amplified by working capital movements that negatively affected our operating cash flows, including primarily the increases in trade and notes receivables and contract assets as we scaled our operations, the increases in inventories and contract costs as we increased the procurement of raw materials to meet market demands.

During the Track Record Period, while our revenue grew rapidly, our overall revenue scale was still insufficient to fully absorb our largely fixed cost base, resulting in limited operating leverage. Our business model focuses on long-term value creation through sustained investment in core technology platforms, including internally developed software algorithms, such as the xCore control system, and hardware components, such as self-developed servos, controllers, torque sensors and motors. Under this model, a minimum level of R&D capability, engineering personnel and operating infrastructure must be maintained irrespective of short-term revenue fluctuations. As a result, our operating expenses did not increase in direct proportion to revenue during the early stage of revenue scaling. In particular, we continued to make significant investments in R&D to strengthen our technology leadership, expand our product portfolio and support long-term growth. All of our robotic products are developed under a forward

design and validation framework and based on our proprietary xCore control system, which allows new functions and performance enhancements to be rolled out across multiple product generations, enabling us to capture the commercial value of ongoing technological upgrades through successive product iterations, rather than relying on one-off sales. Our research and development expenses were RMB59.4 million, RMB54.2 million and RMB65.5 million in 2023, 2024 and 2025, respectively, representing 22.2%, 16.7% and 12.6% of our total revenue in the same years, respectively. As of December 31, 2023, 2024 and 2025, we employed 92, 105 and 157 R&D personnel, respectively, representing 22.8%, 22.2% and 25.5% of our total workforce, with the relevant employee benefit expenses accounting for 69.0%, 72.7% and 73.7% of our research and development expenses in 2023, 2024 and 2025, respectively. These investments supported continuous product iteration, expansion of product categories and forward-looking R&D initiatives, including embodied intelligence products, which are expected to contribute to future revenue growth but had not yet fully translated into profitability during the Track Record Period.

In parallel, we invested heavily in building an increasingly larger sales and marketing team to support business expansion and customer acquisition. Our selling and marketing expenses were RMB54.9 million, RMB63.0 million and RMB75.6 million in 2023, 2024 and 2025, respectively, representing 20.6%, 19.4% and 14.6% of our total revenue of the same years, respectively. These expenses were primarily incurred for (1) expanding our regional sales teams and nationwide sales network, (2) enhancing business development and customer service capabilities, (3) conducting product introduction, validation and application scenario expansion, and (4) increasing marketing, branding and exhibition activities. While these investments adversely affected short-term profitability, they laid the foundation for future revenue growth. The declining selling and marketing expense ratio during the Track Record Period demonstrates emerging economies of scale. As our revenue continues to scale up, we expect to achieve economies of scale with enhanced operating leverage, whereby operating expenses would not increase proportionally with revenue. Together with the derecognition of redemption liabilities following the termination of redemption rights related to the [**REDACTED**] Investments upon the [**REDACTED**], and the gradual realization of benefits from our prior R&D and sales and marketing investments, we believe we are well positioned to achieve profitability in the future.

Furthermore, revenue generation for our different product categories commenced at different stages, with industrial robots and robotic solutions beginning in 2017, collaborative robots in 2020 and embodied intelligent robots in 2021. Such staggered commercialization reflects the evolving nature of our product portfolio and contributes to a gradual build-up of revenue streams rather than a one-off step change in revenue scale. In addition, continuous expansion in our robot models and categories required additional time for product adaptation and customer qualification. We provide industrial robots spanning ten series and 27 models, collaborative robots comprising three series and 15 models, and have also launched six types of embodied intelligent robots. At the same time, we actively explored new application scenarios in manufacturing, commercial services and healthcare sectors, many of which were at an early stage of adoption during the Track Record Period. We kept close collaboration with customers to identify suitable use cases, refine product specifications and demonstrate economic viability, and accordingly, revenue contribution from such applications was progressive rather than immediate.

Meanwhile, our limiting operating leverage is also consistent with the development stage of the robotics industry, which has only recently begun to scale. According to CIC, the market size of China's industrial robots in terms of sales revenue remained relatively stable, decreasing slightly from RMB24.0 billion in 2021 to RMB23.9 billion in 2025, representing a CAGR of -0.1%. The market size of China's collaborative robot in terms of sales revenue also only increased at a moderate pace from RMB2.0 billion in 2021 to RMB2.9 billion in 2025, representing a CAGR of 9.4%. Meanwhile, China's embodied intelligent robots market remains at a formative stage and only became measurable at approximately RMB0.6 billion in 2024. As a result, given that the industry remains in the early stage of large-scale commercialization, our revenue scale during the Track Record Period was not yet sufficient to fully absorb our largely fixed cost base.

We intend to take the following initiatives to enhance our profitability and achieve sustainable business growth.

Driving Our Revenue Growth

Rapid growth of industrial robot markets

We believe that we are well-positioned to further unleash the commercialization potential of our major product lines and monetize from the market tailwinds of embodied intelligent robots in particular. According to the CIC Report, China's industrial robot market size is expected to grow from RMB23.9 billion in 2025 to RMB37.3 billion in 2030, at a CAGR of 9.3%. We expect to take advantage of the significant upside potential of the Chinese market. Underpinned by our homegrown advantages, we expect to leverage the unique benefits of our products and solutions, our solid relationship with downstream customers and our elevating market recognition to capitalize from the Chinese and overseas markets.

Due to our early-mover advantage, the competitiveness and innovativeness of our product portfolio, our robust technology foundation and strong relationship with our customers, we achieved significant growth during the Track Record Period. Our total revenue increased from RMB267.0 million for 2023 to RMB325.3 million for 2024, and further to RMB521.7 million for 2025, at a CAGR of 42.8% over the same years. In terms of revenue in 2025, we ranked No. 6 among domestic robot providers in China's industrial robot market with a market share of 0.9%, and No. 6 in China's collaborative robot market, with a market share of 4.8% according to the CIC Report. We are also the only provider of flexible collaborative robots at an annual production exceeding 1,000 units among the top six collaborative robot providers in China. We are also one of the top five providers in China's embodied intelligent robotic arm market with a market share of 6.3%, according to the same source.

Our strategy to capture market growth focuses on scaling up validated products in mainstream application industries. For instance, we have developed 37 new robotic product series during the Track Record Period, with a particular advantage in light payload industrial robots. In industries such as automotive and 3C electronics, we have achieved large scale commercial deployment with well known customers. See "—Our Competitive Strengths—Established Customer and Partnership Network Backed by Our Service Capability and Modular Plug-ins and Open Interfaces." With core technologies and product performance already validated by marquee customers, our industrial robot business has entered a replication stage, where existing customers typically place bulk repeat orders upon capacity expansion, and other customers within the same industry are willing to directly procure in volume by referencing these proven application cases. We believe this enables our industrial robot revenue to grow at a rate higher than the industry average.

We also compete by expanding addressable market demand through differentiated product capabilities. All of our flexible collaborative robots are equipped with force control functionality, enabling automation in scenarios that are difficult to address with traditional industrial and/or collaborative robots, such as assembly, screw fastening and insertion and extraction testing. For certain major customers, including Xiaomi, our flexible collaborative robots integrate joint force control with AI-based recognition, solving long-standing challenges in precision assembly, such as limitations in stability, efficiency, and cost. This allows us to capture incremental automation demand beyond conventional use cases. In addition, our successful entry into the steel structure welding segment in 2025 contributed over 1,000 units of sales in the same year, and we expect sales in this segment to further increase to over 3,000 units in 2026 through replication.

Our ability to capture market demand is supported by our recent operating performance. Our revenue grew from RMB267.0 million in 2023 to RMB521.7 million in 2025, representing a CAGR of 42.8%. In the first quarter of 2026, we achieved a total shipment volume of over 5,100 robotic products, including over 2,000 embodied intelligent robots. Our recent revenue growth was primarily driven by flexible collaborative robots and embodied intelligent robots, both of which are still at a relatively early stage of commercialization and have not yet reached full market maturity.

Technological innovation and product iteration

Leveraging the success of our offerings, we continue to iterate and expand our robotic portfolio to improve their adaptability, accuracy and efficiency, thereby strengthening our competitive advantages and enhancing our market presence. For example, we plan to enhance our robot body design and develop embodied intelligence and perceptual interaction, which will serve to advance our robots from mere execution tools to true intelligent partners.

We plan to increase investment in core robotic technologies to strengthen our competitive barriers and enhance product capabilities. The xCore control system serves as the technological backbone across our product portfolio, integrating motion control, force control, safety management and real-time operation. This unified control architecture allows new functions and performance enhancements to be rolled out across multiple product generations, enabling us to capture the commercial value of ongoing technological upgrades through successive product iterations, rather than relying on one-off sales. Our focus will include advancing high-precision, high-speed control systems, integrated drive and control modules, and electronic control architectures.

We will also enhance our robot body design and validation platform, and further expand in-house R&D of core components, primarily including specialized servos, safety controllers, and encoders. Across all product offerings, we adopt a structured lifecycle comprising technology and platform pre-research, product design and development, testing and validation, pilot production, batch order delivery and subsequent iteration or replacement. This standardized pipeline enables us to efficiently translate platform-level technological advances into commercially deployable products, while maintaining high performance, stability and reliability required for large-scale industrial applications. See "—Our Robotics Offerings—Our Product Development Lifecycle and Business Process—Product Development Lifecycle." For motors and torque sensors, we will adopt an independent design and OEM production model to meet the demanding requirements of certain high-end application scenarios.

To expand our business scale, we continue to enrich and expand our offerings to meet the increasing demand of the rapidly evolving market. Our strategy involves developing new products that cater to the dynamic needs of the market, thereby enhancing our market share and visibility. Leveraging our R&D team consisting of industry experts and engineers with experience in the robotics industry, we intend to focus on improvements in product performance, durability and usability. This includes continuous development of process packages for specific applications, which simplifies product use in targeted applications and opens up new markets. In embodied intelligence, we plan to develop and iterate products, primarily including humanoid arms and full humanoid robots. We will open our hardware design, mass production capabilities, and robot control platform to partners. We expect these efforts to drive significant growth and position us at the forefront of the industry. As of the Latest Practicable Date, we have approximately ten pipeline projects, spanning across our major robotics product types as well as our xCore control system, undergoing the R&D process, and most of which are expected for commercialization by the end of 2026. See "—Research and Development—Our R&D Strategies—Key Research Projects."

Sales network expansion and market penetration

Customer recognition and satisfaction are critical to our business sustainability and growth. We have established long-term, stable relationships with our existing customers who are well-recognized industry leaders in their respective industry sectors. As of the Latest Practicable Date, we had served over 1,000 customers across more than 40 countries and regions. Collaborations with these reputable companies not only validate our technological capabilities but also help strengthen our brand influence and attract a broader customer base.

We also plan to focus on engaging high-end customers and securing partnerships with overseas industry leaders. For instance, in Japan, we have partnered with a leading industrial system integrator to build a sales network and have already begun supplying leading local manufacturers. In Europe and America, we are accelerating the setup and certification processes for the sales network. This effort aims to increase our overseas revenue share and elevate the recognition of our ROKAE brand. During the Track Record Period and up to the Latest Practicable Date, we had secured confirmed orders for over 53,000

robots in total, comprising over 52,000 from domestic and over 1,400 from overseas customers, with additional over 23,000 robots for indicative demands supported by letters of intention, comprising over 21,000 domestic and over 1,300 overseas.

Improving our Net Profit Margin

Continually improving our net profit margin is crucial to achieving long-term profitability. From a revenue structure perspective, we expect our overall gross profit margin to improve as the contribution from higher-margin products and overseas markets increases. In particular, embodied intelligent robots are expected to carry higher gross profit margins compared to our traditional product offerings. As revenue from such products increases, their higher margin profile is expected to structurally improve our overall gross profit margin. In parallel, our overseas business, which accounted for less than 10% of our total revenue in 2025, is expected to expand going forward. We will accelerate our overseas expansion by deepening market penetration through localized operations and targeted marketing. Our strategy includes introducing our robotic products and replicating mature domestic robotic solutions to overseas markets, as well as establishing local sales and service centers in key regions such as Europe, Southeast Asia, Japan, and South Korea. These teams will be staffed with language-proficient and industry-experienced personnel to deliver regionally adapted products and customized solutions that meet local testing and certification standards, such as the CE certification for EU, the UL standard for North America, and the KC standards for South Korea. We will also focus on engaging high-end overseas customers and securing partnerships with overseas industry leaders. During the Track Record Period and as of the Latest Practicable Date, we had secured confirmed orders for over 1,400 robots from overseas customers, with over 1,300 robots additional indicative demands from overseas supported by letters of intention. Overseas projects are typically more application-driven, which generally involve higher service and solution content and therefore provide greater flexibility in pricing, which we believe will further support margin improvement. This expansion is supported by established application cases with well-known customers in Europe, Asia and North America, which provide local reference points and facilitate replication without a proportional increase in fixed costs.

We expect lower manufacturing costs resulting from economies of scale as demand for our products continues to grow. This will be further bolstered by the ongoing ramp-up of our production base in Jining, Shandong Province. We plan to introduce more automated production equipment and processes to boost production efficiency and capacity, further reducing the manufacturing costs for our robots. We will also refine our production process by standardizing workflows and reducing standard labor hours to reduce unit manufacturing cost.

We also aim to streamline our supply chain management and maintain control over raw material costs and key component quality. Through commercial negotiations with suppliers, we have reduced procurement costs for major materials from our major supplier by approximately 10% for the first quarter of 2026 compared to December 2025, while extending payment terms to 90 days. Furthermore, we have entered into stock preparation agreements and implemented vendor-managed inventory consignment models with core suppliers. These arrangements allow us to reduce inventory levels, improve inventory turnover and lower capital tied up in working capital, thereby supporting both gross margin stability and net operating cash flow improvement. As we continue to enhance automation and intelligence in our robotic production process through the development of automated unit stations for assembly, handling, and other tasks, we can further enhance our production efficiency, product quality, and cost-effectiveness. As a result of these measures, we expect unit production costs to decrease in the future.

We plan to further increase operational efficiency to improve net profit margin. We will enhance customer acquisition efficiency, primarily driven by (1) brand and product loyalty for our direct sales channels and distributorship; (2) achieving greater cost efficiency with our sales and marketing initiatives; and (3) the advancement of new functions within our existing series to further enhance marketing efficiency with more targeted applications. Specifically, our established application cases featuring industry-leading customers both domestically and internationally serve as effective endorsements, thereby shortening sales cycles and reducing customer validation costs. In addition, we are enhancing the use of customer relationship management systems to better manage sales leads, customer engagement, and order conversion. In overseas markets, we leverage local reference projects and sales networks to achieve

revenue growth without a proportional increase in fixed costs. We will also benefit from enhanced economies of scale, as we keep our general and administrative expenses relatively stable in relation to our revenue. This stability will contribute to a stronger financial position, ultimately supporting our path to profitability.

In terms of R&D efficiency, we adopt a standardized, platform-based product development framework anchored by our proprietary xCore control system and forward design and validation framework. This approach allows us to reuse core technologies, algorithms and modules across multiple product generations, reducing marginal R&D costs and shortening development cycles for new or derivative products. Importantly, our R&D efforts also focus on cost-oriented engineering, whereby technological advancement directly contributes to unit cost reduction. For example, we have self-developed high-voltage servos for industrial robots, which reduce unit costs by over 15% compared to externally procured alternatives. In addition, newer versions of our robots increasingly adopt domestically sourced low-voltage servo components, reducing unit costs by over 20% compared to previous versions. These R&D-driven cost reduction measures allow us to improve product cost competitiveness and gross margin while maintaining performance and reliability, with benefits that scale directly with shipment volume.

Improving Net Operating Cash Outflow Position

We plan to improve our net operating cash outflow position through four initiatives, including (1) optimizing payment terms in sales contracts; (2) further strengthening our tiered aging alert mechanism for trade receivables, coupled with rigorous monitoring of overdue payments; and (3) extending supplier payment terms through the use of instruments such as acceptances and letters of credit to ease cash flow pressure. This coordinated approach of accelerating receivables while optimizing payables is designed to shorten our net operating cycle, enhance liquidity security, and reinforce financial stability.

IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic, which began in 2020 and lasted for over three years, had a notable influence on global industries. Overall, our Directors are of the view that the COVID- 19 pandemic had no material adverse impact on our business operations and financial performance during the Track Record Period and up to the Latest Practicable Date, particularly in light of the significant revenue growth achieved following the pandemic, driven by our launch of numerous new robotic product series, as well as the commencement of new collaborations with business partners.

OVERVIEW

Mr. Tuo has been our ultimate Controlling Shareholder since our establishment. As of the Latest Practicable Date, Mr. Tuo collectively controlled 38.78% of the voting power at the general meetings of our Company, comprising (i) 13.46% directly held by Mr. Tuo, (ii) 15.44% collectively held by our Employee Share Ownership Platforms, namely Ruluo Brothers LP and Luoshi Brothers LP, all management and voting powers of which are exercised and controlled by Mr. Tuo as the sole general partner in accordance to the respective partnership agreement, (iii) 4.94%, 2.89% and 2.05% respectively held by Tibet Meiling and Hubei Meihua, Jiaxing Yuanshi and Shandong Zhengfeng, which are our [**REDACTED**] Investors and have vested to Mr. Tuo the right to ultimately control over the voting rights of Shares held by them pursuant to the Voting Proxy Agreements. Upon the [**REDACTED**], Mr. Tuo will collectively control [**REDACTED**]% of the voting power at the general meetings of our Company, comprising (i) [**REDACTED**]% directly held by Mr. Tuo, (ii) [**REDACTED**]% collectively held by Ruluo Brothers LP and Luoshi Brothers LP, (iii) [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% respectively held by Tibet Meiling and Hubei Meihua, Jiaxing Yuanshi and Shandong Zhengfeng, assuming the [**REDACTED**] is not exercised. Therefore, Mr. Tuo together with Ruluo Brothers LP and Luoshi Brothers LP, constituted the group of our Controlling Shareholders as of the Latest Practicable Date and will be the group of our Controlling Shareholders upon the [**REDACTED**] pursuant to the Listing Rules.

The Voting Proxy Agreements

Confident in Ms. Tuo's capability to lead the development and manage our Company, each of Tibet Meiling, Jiaxing Yuanshi, Hubei Meihua and Shandong Zhengfang (collectively, "Proxy Shareholders") have entered into a Voting Proxy Agreement with Mr. Tuo respectively, details of which are set forth as follows:

(1) each of Tibet Meiling and Hubei Meihua entered into a Voting Proxy Agreement with Mr. Tuo dated August 28, 2018 and September 1, 2025, pursuant to which each of Tibet Meiling and Hubei Meihua has vested to Mr. Tuo the right to ultimately control over the voting rights of all the Shares held by it via appointing Mr. Tuo as its attorney-in-fact to exercise in his sole discretion at the general meetings of the Company voting rights attached to all the 4.94% Shares held by such investors. The term of such voting proxy commenced from the date thereof and shall be valid until such investor ceases to be a Shareholder. Tibet Meiling and Hubei Meihua are passive financial investors of our Company and are ultimately controlled by Mr. Wu Shichun, an independent third party.

(2) Shandong Zhengfang entered into a Voting Proxy Agreement with Mr. Tuo dated December 27, 2024 which was reconfirmed and restated on November 5, 2025, pursuant to which, Shandong Zhengfang has vested to Mr. Tuo the right to ultimately control over the voting rights of all the Shares held by Shandong Zhengfang via appointing Mr. Tuo as its attorney-in-fact to exercise in his sole discretion at the general meeting of the Company for the voting rights attached to all the 2.05% Shares held by such investor. The term of such voting proxy commenced from December 27, 2024 and shall be valid until such investor ceases to be a Shareholder. Shandong Zhengfang is a passive financial investor of our Company and is ultimately controlled by Zoucheng Municipal Finance Bureau, an independent third party.

(3) Jiaxing Yuanshi entered into a Voting Proxy Agreement with Mr. Tuo on September 1, 2025, pursuant to which Jiaxing Yuanshi has vested to Mr. Tuo the right to ultimately control over the voting rights of all the Shares held by it via appointing Mr. Tuo as its attorney-in-fact to exercise in his sole discretion at the general meetings of the Company voting rights attached to all the 2.89% Shares held by such investor. The term of such voting proxy commenced from the date thereof and shall be valid until such investor ceases to be a Shareholder. Jiaxing Yuanshi is a passive financial investor of our Company and is ultimately controlled by Shenzhen GSR, an independent third party.

According to the Voting Proxy Agreements, the Proxy Shareholders have irrevocably conferred all their voting rights at the general meetings of our Company upon Mr. Tuo. When exercising the voting rights attached to the proxy Shares, Mr. Tuo acts independently and at his sole discretion, without any obligation to seek prior consent or guidance from the Proxy Shareholders. By entrusting to Mr. Tuo the right to ultimately control over voting rights of Shares held by them, such investors affirm their support and faith in the leadership and management of Mr. Tuo. The voting proxy arrangement is beneficial to the overall strategic planning and decision-making process of our Company. See "History, Development and Corporate [**REDACTED**] Investments" for details of such investors.

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

Members of the group of our Controlling Shareholders have confirmed that as of the Latest Practicable Date, none of them or any of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM THE GROUP OF CONTROLLING SHAREHOLDERS

Management Independence

Our business is primarily managed and conducted by our Board and senior management. Upon the completion of the [**REDACTED**], our Board will comprise of five executive Directors, one non-executive Director and three independent non-executive Directors. See "Directors and Senior Management" for more information.

Our Directors believe that our Board and senior management are able to manage our business and function independently from the group of our Controlling Shareholders based on the following reasons:

(1) each of our Directors is aware of his/her fiduciary duties as a Director of our Company which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(2) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum;

(3) we have three independent non-executive Directors, who have extensive experience in different areas and have been appointed to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review in accordance with the Listing Rules, the applicable laws and our Articles of Association and internal policies;

(4) our daily management and operations are carried out by our senior management team. Except Mr. Tuo himself, our senior management team members are independent from the group of our Controlling Shareholders, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interest of our Group; and

(5) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the group of our Controlling Shareholders which would support our independent management. See "—Corporate Governance."

Operation Independence

We have established our own organizational structure comprised of individual departments, each with specific areas of responsibilities. We have also established various internal controls procedures to facilitate the effective operation of our business. Our Group is not operationally dependent on the group of our Controlling Shareholders. Our Company (through our subsidiaries) holds or enjoys the benefit of all relevant licenses and owns all relevant intellectual property and R&D facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from the group of our Controlling Shareholders. We also have independent access to our customers and suppliers.

Based on the above, our Directors believe that we are capable of carrying on our business independently of the group of our Controlling Shareholders and their close associates.

Financial Independence

We have an independent financial system. Our Group's accounting and finance functions are independent of the group of our Controlling Shareholders and their close associates. Our Group makes financial decisions according to our own business needs. Our Group's major finance operations are handled by our financial management department, which operates independently from the group of our Controlling Shareholders and their close associates. We do not share any other functions or resources with any member of the group of our Controlling Shareholders or their close associates.

During the Track Record Period, we primarily financed our business operations through cash generated from our business activities and equity financing activities. As of the Latest Practicable Date, we did not have any outstanding borrowings or guarantees from the group of our Controlling Shareholders or any of their respective close associates.

Based on the above, our Directors believe that our Group is able to operate with financial independence from the group of our Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE

We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from the group of our Controlling Shareholders and safeguard the interest of our Shareholders, including:

(1) where a Shareholders' meeting is to be held for considering proposed transactions in which the group of our Controlling Shareholders or any of their close associates have a material interest, the group of our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(2) our Company has established internal control mechanism to identify connected transactions. After the [**REDACTED**], our Company will comply with the requirements in connection with connected transactions under the Listing Rules;

(3) where our Directors reasonably request the advice of independent professionals, such as independent financial advisors, the appointment of such independent professional will be made at our Company's expense;

(4) we have appointed Rainbow Capital (HK) Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance;

(5) we have established the audit committee, remuneration and appraisal committee and nomination committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code;

(6) the group of our Controlling Shareholders will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company; and

(7) our Company will disclose decisions (with basis), if any, on matters reviewed by the independent non- executive Directors either in its annual report or by way of announcements.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between the group of our Controlling Shareholders and their respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

OVERVIEW

Upon the [**REDACTED**], the Board will consist of nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of our Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. As of the Latest Practicable Date, we did not have any supervisors.

Our senior management is responsible for the day-to-day operations of the Company.

All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

The following table sets forth certain information regarding the members of our Board.

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Executive Directors						
Mr. Tuo Hua (庹華)	43	Executive Director, chairman of the Board and general manager	December 15, 2014	December 15, 2014	Responsible for the overall strategic planning and business management of our Group	N/A
Mr. Tang Shengtian (唐聖添)	39	Executive Director, chief financial officer, board secretary and joint company secretary	May 6, 2020	March 22, 2021	Responsible for overseeing financial management and investor relations matters of our Group	N/A
Dr. Wang Hao (王皓)	43	Executive Director and deputy general manager	September 20, 2017	July 23, 2018	Responsible for operation management department and quality management department of our Company	N/A
Mr. Song Bin (宋斌)	41	Executive Director	September 14, 2015	July 23, 2018	Responsible for overseeing sales in Beijing, Tianjin, Hebei and Shandong regions and client service and public relation affairs of our Group	N/A

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Mr. Zhang Lei (張雷)	41	Executive Director	September 19, 2015	May 27, 2024	Responsible for product planning and design of the industrial robot products and production organization of all robot products of our Company	N/A
Non-executive Director						
Dr. Yu Shihua (喻世華)	49	Non-executive Director	September 2, 2024	September 2, 2024	Responsible for providing strategic advice to our Board	N/A
Independent non-executive Directors						
Mr. Zhang Peilin (章培林)	61	Independent Non-executive Director	September 16, 2025	September 16, 2025	Responsible for providing independent judgment and advice to the Board	N/A
Ms. Zhang Rui (章睿)	50	Independent Non-executive Director	September 16, 2025	September 16, 2025	Responsible for providing independent judgment and advice to the Board	N/A
Ms. Chan Maria (陳曼麗)	59	Independent Non-executive Director	September 16, 2025	September 16, 2025	Responsible for providing independent judgment and advice to the Board	N/A

Executive Directors

Mr. Tuo Hua (庹華), aged 43, has served as a Director, the chairman of the Board and the general manager of our Company since its inception in December 2014 and was redesignated as an executive Director in September 2025. He is primarily responsible for the overall strategic planning and business management of our Group.

Prior to founding our Company, from July 2009 to August 2010, Mr. Tuo served as a software engineer at Ericsson (China) Communications Co., Ltd. (愛立信(中國)通信有限公司), a subsidiary of Telefonaktiebolaget LM Ericsson, a multinational networking and telecommunications company whose shares are listed on the NASDAQ (ticker: ERIC), where he was primarily responsible for software programming and algorithm function implementation. From August 2010 to January 2014, he served as a software engineer at Beijing Peitian Technology Co., Ltd. (北京配天技術有限公司), a company primarily engaged in industrial robots manufacturing, where he was primarily responsible for building the underlying algorithms of industrial robot control systems. From January 2014 to May 2015, he served as

a software engineer at SINOMACH Academy of Science and Technology Co., Ltd. (國機集團科學技術研究院有限公司), a company specializing in intelligent industrial equipment production, where he was primarily responsible for developing the full-function architecture of industrial robot control systems.

Mr. Tuo obtained a bachelor's degree in measurement and control technology and instruments from Harbin University of Science and Technology (哈爾濱理工大學) in the PRC in July 2006. He further obtained a master's degree in electronics and communication engineering from Peking University (北京大學) in the PRC in July 2009. Mr. Tuo is pursuing a doctorate degree in mechanics from Harbin Institute of Technology (哈爾濱工業大學) in the PRC.

Mr. Tuo has been well-recognized for his business acumen and entrepreneurship. Mr. Tuo was selected as the Technological Innovation and Entrepreneurial Talents (科技創新創業人才) by the Ministry of Science and Technology of the PRC (中華人民共和國科學技術部) in April 2020. He was also honored with the title of Taishan Industrial Leader (泰山產業領軍人才) by the Shandong Provincial People's Government (山東省人民政府) in May 2018. In addition, Mr. Tuo has been a representative of the 14th People's Congress of Shandong Province (山東省第十四屆人民代表大會) since January 2023.

Mr. Tang Shengtian (唐聖添), aged 39, has served as a Director since March 2021, the chief financial officer of our Company since December 2022, the board secretary since May 2020, and was redesignated as an executive Director and was appointed as one of the joint company secretaries of our Company in September 2025. He is primarily responsible for overseeing financial management and investor relations matters of our Group.

Mr. Tang possesses over 15 years of experience in accounting and finance. Prior to joining our Company, from October 2009 to March 2012, he worked at Deloitte Touche Tohmatsu CPA Co., Ltd. (德勤華永會計師事務所有限公司) with his last position as a senior associate, a professional accounting firm where he was primarily responsible for project execution. From March 2012 to November 2013, he worked at ChinaLion Securities Co., Ltd. (華林證券股份有限公司), a full-service brokerage firm whose shares are listed on the Shenzhen Stock Exchange (stock code: 002945), where he was primarily responsible for project execution. From December 2013 to July 2017, Mr. Tang served as the chief compliance officer and anti-money laundering officer at the Doha Branch of the Industrial and Commercial Bank of China (中國工商銀行), a multinational commercial bank whose shares are concurrently listed on the Shanghai Stock Exchange (stock code: 601398) and the Stock Exchange (stock code: 01398), where he was primarily responsible for overseeing internal compliance and money laundering reporting matters. From August 2017 to April 2020, Mr. Tang worked as the director of investment and financing at CSD Water Service Co., Ltd. (中持水務股份有限公司), a company primarily engaged in sludge and sewage disposal whose shares are listed on the Shanghai Stock Exchange (stock code: 603903), where he was primarily responsible for overseeing the investment and financing matters of the company.

Mr. Tang obtained a bachelor's degree in accounting and a master of business administration degree from Peking University (北京大學) in the PRC in July 2009 and July 2020, respectively. Mr. Tang was successively accredited as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in June 2013, a Certified Anti-Money Laundering Specialists by The Association of Certified Anti-Money Laundering Specialists in April 2014, and a Financial Risk Manager by the Global Association of Risk Professionals in September 2016, respectively. Mr. Tang also qualified as a board secretary of the Shanghai Stock Exchange in April 2025.

Dr. Wang Hao (王皓), aged 43, joined our Group in September 2017 and has served as a Director and a deputy general manager of our Company since July 2018, and was redesignated as an executive Director in September 2025. He is primarily responsible for operation management department and quality management department of our Company.

Prior to joining the Company, from August 2010 to September 2017, Dr. Wang worked at China Banknote Printing and Minting Corporation (中國印鈔造幣集團有限公司), a state-owned company primarily engaged in manufacturing of banknotes and coins.

Dr. Wang obtained a bachelor's degree in electrical engineering and automation and a doctoral degree in mechanical electronics engineering from Beihang University (北京航空航天大學) in the PRC in July 2005 and July 2010, respectively. Dr. Wang was accredited as a senior engineer by The People's Bank of China (中國人民銀行) in August 2015.

Mr. Song Bin (宋斌), aged 41, has served as a Director since July 2018 and was redesignated as an executive Director in September 2025, and has served as a deputy general manager from September 2015 to September 2025. Mr. Song is primarily responsible for overseeing sales in Beijing, Tianjin, Hebei and Shandong regions and client service and public relation affairs of our Group.

Mr. Song has over 17 years of experience in system testing and development. Prior to joining us, from August 2013 to August 2015, Mr. Song served as a senior testing engineer at Beijing Zhongti Juncai Information Technology Co., Ltd. (北京中體駿彩信息技術有限公司), a software company where Mr. Song was primarily responsible for system testing and development of lottery betting platform. Prior to that Mr. Song successively worked at Beijing Sifang Automation Co., Ltd. (北京四方繼保自動化股份有限公司), a company providing power system protection and automation solutions, from August 2008 to June 2010, Neusoft Corporation (東軟集團股份有限公司), a software company whose shares are listed on the Shanghai Stock Exchange (stock code: 600718), from August 2010 to July 2012, and Beijing Dangdang Information Technology Co., Ltd. (北京當當網信息技術有限公司), an e-commerce platform, from August 2012 to July 2013.

Mr. Song obtained a bachelor's degree in software engineering from Kede College of Capital Normal University (首都師範大學科德學院) in the PRC in June 2008.

Mr. Zhang Lei (張雷), aged 41, joined our Company in September 2015 and has served as a Director since May 2024, and was redesignated as an executive Director in September 2025. He is primarily responsible for product planning and design of the industrial robot products manufacturing of our Group and overseeing the production operations center of our Company.

Prior to joining the Company, from July 2007 to May 2009, Mr. Zhang worked at Beijing BYD Auto Mold Co., Limited (北京比亞迪汽車模具有限公司), a company principally engaged in the design and manufacturing of car moulds. From July 2012 to September 2015, Mr. Zhang worked at Central Research Institute of Building and Construction Co., Ltd. MCC Group (中冶建築研究總院有限公司), a subsidiary of Metallurgical Corporation of China Ltd. (中國冶金科工股份有限公司), an engineering and construction enterprise whose shares are concurrently listed on the Shanghai Stock Exchange (stock code: 601018) and the Stock Exchange (stock code: 01618).

Mr. Zhang obtained a bachelor's degree in mechanical engineering and automation and a master's degree in mechanical engineering from Beihang University (北京航空航天大學) in the PRC in July 2007 and July 2012, respectively.

Non-executive Director

Dr. Yu Shihua (喻世華), aged 49, has served as a Director since September 2024 and was redesignated as a non-executive Director in September 2025. He is primarily responsible for providing strategic advice to our Board.

Dr. Yu has extensive management experience across public sectors and state-owned investment funds. From July 2001 to February 2009, he has successively served as a principal officer and a deputy director at the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (formerly known as the Ministry of Information Industry of the PRC (中華人民共和國信息產業部)), where he was primarily responsible for internal financial management. From March 2009 to September 2014, Dr. Yu served as the director at the finance division of State Radio Regulation of China (國家無線電監測中心), where he was primarily responsible for financial accounting and management. From September 2014 to October 2019, he served as the general manager of the finance department of National Integrated Circuit Industry Investment Fund Co., Ltd. (國家集成電路產業投資基金股份有限公司), where he was primarily responsible for financial accounting and management. Since November 2019, Dr, Yu has

successively served as the general manager of its finance department and investment department II at National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司), where he was primarily responsible for financial and equity investments management.

Dr. Yu also has served director providing strategic advice to the board at several companies as designated by National Manufacturing Transformation and Upgrade Fund Co., Ltd., including a director at Hubei Taihe Petrochemical Equipment Co., Ltd. (湖北泰和石化設備有限公司) since June 2022, a director at Jiangsu Huayong Composite Materials Co., Ltd. (江蘇華永複合材料有限公司) since December 2024, and a director at LandSpace Technology Co., Ltd. (藍箭航天空間科技股份有限公司) since April 2025.

Dr. Yu obtained a bachelor's degree in information management and a master's degree in industrial economics from Xi'an Jiaotong University (西安交通大學) in the PRC in July 1998 and July 2001 respectively. He further obtained a doctoral degree in management from Beijing University of Posts and Telecommunications (北京郵電大學) in the PRC in July 2008. Dr. Yu was accredited as a senior accountant by Beijing Municipal Human Resources Bureau (北京市人事局) in April 2009 and was recognized as a National Leading Accounting Talent (全國會計領軍人才) by the Ministry of Finance of the PRC (中華人民共和國財政部) in November 2011.

Independent Non-executive Directors

Mr. Zhang Peilin (章培林), aged 61, was appointed as an independent non-executive Director in September 2025. He is primarily responsible for providing independent judgment and advice to the Board.

Mr. Zhang has in-depth experience in both consulting and corporate governance. In January 2001, Mr. Zhang joined Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), a company primarily engaged in digital and intelligent software and services for enterprises and government agencies, whose shares are listed on the Shanghai Stock Exchange (stock code: 600588). From January 2001 to October 2024, Mr. Zhang has successively served as its deputy general manager, vice president, senior vice president, executive vice president, executive president, chief financial officer and chairman of the supervisory board, where he was primarily responsible for the company's overall business operation and financial management.

Mr. Zhang obtained a bachelor's degree in engineering and a master's degree in management engineering from Tsinghua University (清華大學) in the PRC in July 1987 and July 1992, respectively.

Ms. Zhang Rui (章睿), aged 50, was appointed as an independent non-executive Director in September 2025. She is primarily responsible for providing independent judgment and advice to the Board.

Ms. Zhang has over 17 years of experience in accounting and financial management. She currently serves as the head of the digital intelligence value project at Institute for Global Securities Market, Tsinghua University (清華大學全球證券市場研究院), where she is primarily responsible for academic research on the value management system in the digital era. From May 2021 to August 2024, Ms. Zhang served as a deputy president at Shouyi Healthcare Investment Management Co., Ltd. (首頤醫療健康投資管理有限公司), a company primarily engaged in medical management and operation, where she was primarily responsible for the establishment and optimization of management and operational management systems. From September 2019 to April 2021, she served as the chief financial officer at Hospital Corporation of China Limited (弘和仁愛醫療集團), a hospital operation and management group whose shares are listed on the Stock Exchange (stock code: 3869), where she was primarily responsible for the market value management, mergers and acquisitions and restructuring, group-level management and control, and the establishment of financial management systems of the company. From July 2017 to July 2019, Ms. Zhang served as a director and compliance director at Baoshihua Medical Health Investment Holding Group Co., Ltd. (寶石花醫療健康投資控股集團有限公司), a company primarily engaged in medical management and operation, where she was primarily responsible for the establishment and optimization of the lean management and operation management system of the company. Prior to that, Ms. Zhang also worked at Deloitte China from February 2008 to May 2014, a professional accounting firm where she was primarily responsible for auditing.

Ms. Zhang was successively accredited as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in June 2004, a fellow member of the Association of Chartered Certified Accountants in March 2014 by Association of Chartered Certified Accountants and a Certified Management Accountant by the Institute of Certified Management Accountants United States of America in September 2019. She was also accredited as a senior accountant by the Ministry of Finance of the PRC (中華人民共和國財政部) in October 2018 and was appointed as a member of the Fourth Accounting Standards Advisory Committee under the Ministry of Finance of the PRC (中華人民共和國財政部第四屆會計準則諮詢委員) in September 2023.

Ms. Zhang obtained a master's degree in applied finance from Macquarie University in Australia in November 2016.

Ms. Chan Maria (陳曼麗), aged 59, was appointed as an independent non-executive Director in September 2025. She is primarily responsible for providing independent judgment and advice to the Board.

Ms. Chan has over 35 years of experience in accounting and financial management. From August 1990 to June 1995, Ms. Chan worked at Price Waterhouse Hong Kong with her last position as the deputy manager, a professional accounting firm where she was primarily responsible for project execution. From July 1995 to November 1996, Ms. Chan served as a deputy manager at PwC Dahua Certified Public Accountants LLP, Shanghai Branch (普華大華會計師事務所上海分所), where she was primarily responsible for project execution. In December 1996, she returned to Price Waterhouse Hong Kong to serve as an associate of business service department until March 1997, where she was primarily responsible for consulting services. From April 1997 to December 1998, Ms. Chan served as a corporate finance manager at Cargill Hong Kong Ltd. (香港嘉吉有限公司), a food and agricultural products producer, where she was primarily responsible for financial management of the company. From January 1999 to May 2006, Ms. Chan served as a finance manager at Ingersoll Rand (Asia Pacific) Inc. (英格索蘭(亞太)公司), an industrial technology and service provider, where she was primarily responsible for financial management. From November 2006 to April 2019, she worked at Jardine OneSolution (HK) Limited (怡和科技(香港)有限公司) with her last position as the financial controller, a company primarily engaged in information technology products sales and related services, where she was primarily responsible for financial management of the company. From January 2020 to July 2022, Ms. Chan served as the head of finance at The Jockey Club CPS Limited (賽馬會文物保育有限公司), a not-for-profit company set up by The Hong Kong Jockey Club, where she was primarily responsible for the overall financial management of the company.

Ms. Chan obtained an Honours Diploma in Accountancy from Lingnan College Hong Kong in June 1990. She was accredited as a fellow member of the Association of Chartered Certified Accountants in January 2000.

Save as disclosed in this section, none of our Directors held directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date.

As at the Latest Practicable Date, save as disclosed in this section, there were no other matters relating to the appointment of our Directors that need to be brought to the attention of the Shareholders and there was no other information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Please refer to "Substantial Shareholders," "History, Development and Corporate Structure" and "4. Disclosure of Interests" in Appendix VI to this document for the interests of our Directors and chief executive in our Shares within the meaning of Part XV of the SFO.

SENIOR MANAGEMENT

Mr. Tuo Hua (庹華), aged 43, is our executive Director, chairman of the Board and general manager. See "—Board of Directors—Executive Directors" for his biographical details.

Mr. Tang Shengtian (唐聖添), aged 39, is our executive Director, chief financial officer and board secretary. See "—Board of Directors—Executive Directors" for his biographical details.

Dr. Wanghao (王皓), aged 43, is our executive Director and deputy general manager. See "—Board of Directors—Executive Directors" for his biographical details.

Mr. Yu Wenjin (于文進), aged 39, joined our Group in September 2016 and has served as the general manager of the R&D center and a deputy general manager of our Company since September 2016. He is primarily responsible for overseeing research and development, product planning and collaborative robot product line of our Group.

Mr. Yu has over 13 years of experience in research and development. Prior to joining the Company, from August 2012 to August 2016, Mr. Yu served as a principal engineer (主任工程師) at China Academy of Space Technology (航天科技集團中國空間技術研究院), a research institute primarily engaged in the research and development of satellites, spacecraft and space stations, where he was primarily responsible for the research and development of spacecraft.

Mr. Yu obtained a bachelor's degree in aircraft design and engineering and a master's degree in aerospace science and technology from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2010 and July 2012, respectively.

Mr. Nie Kouzhun (聶寇准), aged 36, joined our Company in April 2017 and has served as the general manager of the integrated applications department of our Company since January 2024 and a deputy general manager and the director of overseas sales of our Company since April 2017. He is primarily responsible for the management of integrated projects and overseas sales of our Group.

Prior to joining us, from April 2015 to April 2017, Mr. Nie served as a mechanical design engineer at Suzhou SLAC Precision Equipment Co., Ltd. (蘇州斯萊克精密設備股份有限公司), a company primarily engaged in the design and manufacturing of high-speed ends production equipment sets whose shares are listed on the Shenzhen Stock Exchange (stock code: 300382), where he was primarily responsible for research and development of high-speed can printing equipment.

Mr. Nie obtained a bachelor's degree in aircraft manufacturing engineering from Shenyang Aerospace University (瀋陽航空航天大學) in the PRC in July 2012. He further graduated from Northwestern Polytechnical University (西北工業大學) with a master's degree in aircraft and aerospace manufacturing engineering in April 2015.

Dr. Wang Shaofei (王少飛), aged 41, joined our Group in January 2022 as the general manager of ROKAE SEIKI Co., Ltd. and has served as a deputy general manager of our Company since January 2022. He is primarily responsible for the overall management of our Japanese and Asian Pacific business.

Prior to joining us, from April 2016 to April 2022, Dr. Wang served as a researcher at Fanuc Corporation in Japan, one of the largest manufacturers of industrial robots and factory automation systems worldwide, where he was primarily responsible for research and development of industrial robots.

Dr. Wang obtained a bachelor's degree in electronic information engineering and a master's degree in signal and information processing from Chongqing University of Technology (重慶理工大學, formerly known as Chongqing Institute of Technology (重慶工學院)) in the PRC in June 2007 and June 2012, respectively. He further obtained a master's degree in engineering from Yamaguchi University in Japan in September 2011 and a doctorate degree in mechano-micro engineering from Tokyo Institute of Technology in Japan in December 2015. Dr. Wang is now pursuing a doctorate degree in communication and sensing at Waseda University in Japan.

JOINT COMPANY SECRETARIES

Mr. Tang Shengtian (唐聖添), was appointed as one of our joint company secretaries in September 2025 effective upon the [**REDACTED**]. Mr. Tang is our executive Director, deputy general manager, chief financial officer and board secretary. See "—Board of Directors—Executive Directors" for his biographical details.

Ms. Lai Janette Tin Yun (賴天恩), was appointed as one of our joint company secretaries in September 2025 effective upon the [**REDACTED**]. She is currently a senior manager of Company Secretarial Services of Vistra Group, a global professional services provider specializing in integrated Business, Corporate and Investor Services.

Ms. Lai has over 14 years of experience in the corporate secretarial and compliance field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Lai currently holds company secretary or joint company secretary positions in multiple companies listed on the Hong Kong Stock Exchange. Ms. Lai is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Company has established three committees under the Board of Directors, namely the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

Audit Committee

The Audit Committee consists of three Directors, namely Ms. Zhang Rui, Mr. Zhang Peilin and Ms. Chan Maria, with Ms. Zhang Rui currently serving as the chairlady. Ms. Zhang Rui has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and has the terms of reference in compliance with the relevant PRC laws and regulations and 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.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Tuo, Mr. Zhang Peilin and Ms. Chan Maria, with Mr. Zhang Peilin currently serving as the chairman. The Remuneration and Appraisal Committee is mainly responsible for evaluating the remuneration polices for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and has the terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Nomination Committee

The Nomination Committee consists of three Directors, namely Mr. Tuo, Mr. Zhang Peilin and Ms. Zhang Rui, with Mr. Tuo currently serving as the chairman. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and has the terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a board diversity policy (the "Board Diversity Policy") in order to enhance the effectiveness of our Board of Directors and to maintain a high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of

Directors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on the merits and contribution that the selected candidates will bring to our Board of Directors.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to business management, finance and accounting, engineering and software development. The Board of Directors is of the view that our Board of Directors satisfies the Board Diversity Policy. In addition, our Board of Directors has a wide age range, ranging from 39 years old to 61 years old. Two of our Directors are female. Our Board of Directors will also ensure that appropriate balance of gender diversity is achieved with reference to investors' expectations, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of the Board of Directors. After [**REDACTED**], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Save as disclosed below, our Group is expected to comply with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Tuo currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and the general manager of our Company in the same person has the benefit of (1) ensuring consistent leadership within our Company, (2) enabling more effective and efficient overall strategic planning for our Company, and (3) facilitating the flow of information between the management and our Board. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and the president of our Company at a time when it is appropriate by taking into account the circumstances of our Company as a whole.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of the Directors and members of the senior management of our Company are determined by the Shareholders' meetings and the Board of Directors as appropriate in the form of salaries and bonuses. The Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to the Company or discharging their duties in relation to the operations of the Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of the Company, the Shareholders' meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, the Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of the Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

The Company offers executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. The independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and share-based payment) paid to the Director and the Supervisors for the three years ended December 31, 2023, 2024 and 2025, were RMB6.6 million, RMB23.9 million and RMB5.6 million, respectively.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and share-based payment) paid to the five highest paid individuals, excluding Directors and chief executive, for the three years ended December 31, 2023, 2024 and 2025, were RMB2.2 million, RMB2.8 million and RMB1.3 million, respectively.

It is estimated that remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and excluding share-based payment) equivalent to approximately RMB5.0 million in aggregate will be paid to the Directors by the Company for the year ending December 31, 2026, based on the arrangements in force as of the date of the document.

No remuneration was paid by the Company to the Directors or the five highest paid individuals as inducement to join or upon joining the Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISOR

The Company appointed Rainbow Capital (HK) Limited as the compliance advisor pursuant to Rules 3A.19 of the Listing Rules, and the compliance advisor will advise the Company as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise our Company in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(iii) where the Company proposes to use the [**REDACTED**] of the [**REDACTED**] in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and

(iv) where the Stock Exchange makes an inquiry of the Company regarding unusual movements in the [**REDACTED**] volume of the Shares, the possible development of a false market in the Shares or any other matters.

Pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The compliance advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

The terms of the appointment of the compliance advisor will commence on the [**REDACTED**] and end on the date when the Company distributes the annual report of its financial results for the first full financial year commencing after the [**REDACTED**].

CORE R&D TEAM MEMBERS

For further details of the experience of our core R&D team members, see "Business—Research and Development—Our R&D Team and Core Members" in this document.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that, as of the Latest Practicable Date, he or she did not have any interest in any business which competes, or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (1) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on September 20, 2025; and (2) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (1) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (2) that he/she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (3) that there are no other factors that may affect his/her independence at the time of his/her appointment.

To the best of our Directors' knowledge and information, the following persons will, immediately following the completion the Share Subdivision, of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at any general meeting of our Company:

		As of the Latest Practicable Date		Immediately following the completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)			
Shareholder	**Nature of interest**	**Number of Unlisted Shares**	**Percentage of shareholding in the total issued share capital of our Company**	**Number of Shares**	**Description of Shares**	**Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate)**	**Approximate percentage of shareholding in the total issued share capital of our Company**
Mr. Tuo	Beneficial owner	3,212,011	13.46%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	Unlisted Shares	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation[1]	3,686,232	15.44%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
	Interest of a party to an agreement regarding interest in the Company[2]	2,359,018	9.88%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Luoshi Brothers LP	Beneficial owner	2,024,956	8.48%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Ruluo Brothers LP	Beneficial owner	1,661,276	6.96%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司)	Beneficial owner	2,307,692	9.67%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Pan Xiaofeng (潘曉峰)	Interest in controlled corporation[3]	2,078,912	8.71%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
South Hope Industrial Co., Ltd. (南方希望實業有限公司) ("South Hope")	Beneficial owner	1,660,333	6.96%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
New Hope Group Co., Ltd. (新希望集團有限公司) ("New Hope Group")	Interest in controlled corporation[5]	1,660,333	6.96%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
New Hope Holdings Group Co., Ltd. (新希望控股集團有限公司) ("New Hope Holdings")	Interest in controlled corporation[5]	1,660,333	6.96%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
New Hope Asian Pacific Investment Holdings Co., Ltd. (新希望亞太投資控股有限公司) ("New Hope Investment")	Interest in controlled corporation[5]	1,660,333	6.96%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%

		As of the Latest Practicable Date		Immediately following the completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)			
Shareholder	Nature of interest	Number of Unlisted Shares	Percentage of shareholding in the total issued share capital of our Company	Number of Shares	Description of Shares	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate)	Approximate percentage of shareholding in the total issued share capital of our Company
Lasa Economic Technology Development Zone New Hope Investment Co., Ltd. (拉薩經濟技術開發區新希望投資有限公司) ("Lasa New Hope")	Interest in controlled corporation[5]	1,660,333	6.96%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Liu Yonghao (劉永好)	Interest in controlled corporation[5]	1,660,333	6.96%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Huahao Ruixin (Shenzhen) Investment Co., Ltd. (華皓睿信(深圳)投資有限責任公司) ("Huahao Ruixin")	Interest in controlled corporation[3]	1,568,756	6.57%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Golden Growth III (Hong Kong) Limited (金色成長叁(香港)有限公司)	Beneficial owner	1,537,667	6.44%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Shunwei China Internet Opportunity Fund III, L.P.	Interest in controlled corporation[4]	1,537,667	6.44%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Xiang He Fund II, L.P.	Beneficial owner	1,404,159	5.88%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Xiang He Partners II, L.P.	Interest in controlled corporation [6]	1,404,159	5.88%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Xiang He II GP, LTD.	Interest in controlled corporation [6]	1,404,159	5.88%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
HT Holdings US, LLC	Interest in controlled corporation [6]	1,404,159	5.88%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%
Hesong Tang	Interest in controlled corporation [6]	1,404,159	5.88%	[REDACTED]	H Shares	[REDACTED]%	[REDACTED]%

(1) As of the Latest Practicable Date, Mr. Tuo acted as the general partner of each of Ruluo Brothers LP and Luoshi Brothers LP. Under the SFO, Mr. Tuo is deemed to be interested in the entire Shares held by Ruluo Brothers LP and Luoshi Brothers LP.

(2) Pursuant to the Voting Proxy Agreements, Mr. Tuo is able to control an aggregate of 23,590,180 Shares (after the share subdivision) held by Tibet Meiling and Hubei Meihua, Jiaxing Yuanshi and Shandong Zhengfang at the general meeting of our Company. See "History, Development and Corporate Structure" for details of the voting arrangements. Under the SFO, Mr. Tuo is deemed to be interested in the entire Shares held by Tibet Meiling and Hubei Meihua, Jiaxing Yuanshi and Shandong Zhengfang.

(3) As of the Latest Practicable Date, both Suzhou Jinsha River United III Equity Investment Partnership (Limited Partnership) (蘇州金沙江聯合三期股權投資合夥企業(有限合夥)) ("Jinsha River III") and Suzhou Zhongxin Botong Jinshi Venture Investment Partnership (蘇州中新博通金世創業投資合夥企業(有限合夥)) ("Zhongxin Botong") were managed by their common general partner Suzhou Jinsha Lake Venture Investment Management Co., Ltd. (蘇州金沙湖創業投資管理有限公司) ("Suzhou Jinsha Lake"), which was ultimately controlled by Pan Xiaofeng. In addition, both Jiaxing Yuanshi Equity Investment Partnership (Limited Partnership) (嘉興元石股權投資合夥企業(有限合夥)) ("Jiaxing Yuanshi") and Pinghu Jinluo Equity Investment Partnership (Limited Partnership) (平湖金珞股權投資合夥企業(有限合夥)) ("Pinghu Jinluo") were managed by their common general partner Shenzhen Jinsha River United Huahao Angel Private Equity Venture Investment Fund Management Co., Ltd. (深圳金沙江聯合華皓天使私募創業投資基金管理有限公司) ("Jinsha River United"). Jinsha River United was owned as to 60.00% by Suzhou Jinsha Lake and as to 40.00% by Huahao Ruixin. Under the SFO, Pan Xiaofeng is deemed to be interested in the entire Shares held by Jinsha River III, Zhongxin Botong, Jiaxing Yuanshi and Pinghu Jinluo, and Huahao Ruixin is deemed to be interested in the entire Shares held by Jiaxing Yuanshi and Pinghu Jinluo.

(4) As of the Latest Practicable Date, Golden Growth III (Hong Kong) Limited was wholly owned by Shunwei China Internet Opportunity Fund III, L.P.. Under the SFO, Shunwei China Internet Opportunity Fund III, L.P. is deemed to be interested in the entire Shares held by Golden Growth III (Hong Kong) Limited.

(5) As of the Latest Practicable Date, South Hope was owned as to 51.00% by New Hope Group, which was in turn owned as to 75.00% by New Hope Holdings. New Hope Holdings is a wholly-owned subsidiary of New Hope Investment, which was owned as to 99.25% by Lasa New Hope. Lasa New Hope was wholly owned by Liu Yonghao. Under the SFO, each of New Hope Group, New Hope Holdings, New Hope Investment, Lasa New Hope and Liu Yonghao is deemed to be interested in the entire Shares held by South Hope.

(6) As of the Latest Practicable Date, the general partner of Xiang He Fund II, L.P. is Xiang He Partners II, L.P., which is managed by its general partner Xiang He II GP, LTD. Xiang He II GP, LTD. is wholly-owned by HT Holding US, LLC, which is ultimately wholly owned by Mr. Hesong Tang. Under the SFO, each of Xiang He Partners II, L.P., Xiang He II GP, LTD. and HT Holding US, LLC is deemed to be interested in the entire Shares held by Xiang He Fund II, L.P.

Save as disclosed above and in "Appendix VI—Statutory and General Information" of this document, our Directors are not aware of any person who will, immediately following the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares (and the [**REDACTED**] of any additional H Shares pursuant to the [**REDACTED**]), have an interest or short position in the Shares or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be 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 the Company or any other members of our Group.

Our registered share capital as of the Latest Practicable Date was RMB23,869,429, divided into 23,869,429 Unlisted Shares of par value RMB1.00 each. Upon [**REDACTED**], the ordinary shares of the Company will be split on a one for ten basis, and the aforementioned registered share capital of the Company of RMB23,869,429 will be divided into 238,694,290 Shares of par value RMB0.1 each.

Assuming the [**REDACTED**] is not exercised, the share capital of our Company immediately after the Share Subdivision, the [**REDACTED**] and Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares
		(RMB)
Unlisted Shares	11,934,710	1,193,471
H Shares to be converted from Unlisted Shares	226,759,580	22,675,958
H Shares to be issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	[**REDACTED**]

Assuming the [**REDACTED**] is exercised in full, the share capital of our Company immediately after the Share Subdivision, the [**REDACTED**] and Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares
		(RMB)
Unlisted Shares	11,934,710	1,193,471
H Shares to be converted from Unlisted Shares	226,759,580	22,675,958
H Shares to be issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	[**REDACTED**]

Note: See "Capitalization of Our Company" in the section headed "History, Development and Corporate Structure" for details of the identities of our Shareholders whose Shares will remain as Unlisted Shares and whose Shares will be converted into H Shares upon [**REDACTED**].

The above table assumes that the [**REDACTED**] has become unconditional and the H Shares are issued pursuant to the [**REDACTED**].

OUR SHARES

Upon the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, the Shares will consist of Unlisted Shares and H Shares. The H Shares in issue following the completion of the [**REDACTED**] and the Unlisted Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong stock exchanges connectivity mechanism (Shanghai-Hong Kong Stock Connect) and the Shenzhen-Hong Kong stock exchanges connectivity mechanism (Shenzhen-Hong Kong Stock Connect) and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC. On the other hand, Unlisted Shares may only be subscribed for by, and traded between, legal persons of the PRC, certain qualified foreign institution investors and qualified foreign strategic investors. H Shares may only be subscribed for and traded in Hong Kong dollars. Unlisted Shares, on the other hand, may only be subscribed for and transferred in Renminbi.

RANKING

Unlisted Shares and H 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 for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which the Shareholders' general meeting are required, please refer to "Shareholders and General Meeting—Voting and Resolution of General Meeting" under "Appendix V—Summary of Articles of Association of the Company" to this document.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be converted into overseas-listed Shares. Such converted Shares could be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted Shares, any requisite internal approval process has been duly completed, all the filling procedures with relevant PRC regulatory authorities, including the CSRC are followed. In addition, such conversion and trading shall comply with the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. If any of the Unlisted Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the Stock Exchange, such conversion, [**REDACTED**] and [**REDACTED**] will need to be filed with relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

Filing with the CSRC

According to the Trial Administrative Measures of Overseas Securities Offering and [**REDACTED**] by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) announced by the CSRC, for an H-share listed company, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf.

In accordance with the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed 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, an unlisted domestic joint stock company may apply for "full circulation" when applying for an overseas initial public offering.

We have filed with the CSRC for the [**REDACTED**] and the conversion of 226,759,580 Unlisted Shares into H Shares on a one-for-one basis ("Conversion of Unlisted Shares into H Shares") upon the completion of the [**REDACTED**] ("Full Circulation Application of the Company"), which has been completed on March 26, 2026.

[**REDACTED**] Approval by the Stock Exchange

We have applied to the Listing Committee of the Stock Exchange for the granting of [**REDACTED**] of, and permission to [**REDACTED**], our H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] (including any H Shares which may be [**REDACTED**] pursuant to the exercise of the [**REDACTED**]) and the H Shares to be converted from Unlisted Shares under the Conversion of Unlisted Shares into H Shares on the Stock Exchange.

We will perform the following procedures for the conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our [**REDACTED**] regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be

accepted as eligible securities by [**REDACTED**] for deposit, clearance and settlement in the [**REDACTED**]. Until the converted Shares are re- registered on our [**REDACTED**], such Shares will not be [**REDACTED**] as H Shares. The participating shareholders may only [**REDACTED**] the Shares upon completion of domestic procedures.

Unlisted Shareholders can work with the Company according to the Articles of Association and follow the procedures set out in this document to convert the Unlisted Shares into H Shares after the [**REDACTED**] if hey want, provided that such conversion of Unlisted Shares into and [**REDACTED**] and trading of H Shares will be subject to the filling procedures of the relevant PRC regulatory authorities, including the CSRC, the approval of the Stock Exchange and the satisfaction of the public float requirement under the Listing Rules by the Company.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed 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, the domestic shareholders of unlisted shares shall handle share transfer registration business in accordance with the relevant business rules of CSDC. And H-share companies should submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDC.

SHAREHOLDERS' APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to issue H Shares and seek the [**REDACTED**] of H Shares on the Stock Exchange. The Company has obtained such approval at the Shareholders' general meeting held on September 16, 2025.

RESTRICTIONS ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

According to the Company Law, the Shares issued by the Company prior to the [**REDACTED**] are restricted from trading within one year from the [**REDACTED**].

Our Directors and members of the senior management (as defined in our Articles of Association) of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and such members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the shares are [**REDACTED**] and [**REDACTED**], nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions or conditions on the transfer of the Shares held by our Directors, members of senior management of our Company and other Shareholders. For further details, see "Summary of Articles of Association" in Appendix V to this document.

You should read the following discussion and analysis in conjunction with our audited consolidated financial statements, including the notes thereto included in the Accountants' Report set out in Appendix I to this document. You should read the entire Accountants' Report in Appendix I to this document and not rely merely on the information contained in this section. The Accountants' Report has been prepared in accordance with the HKFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on 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 the sections headed "Forward-looking Statements" and "Risk Factors" in this document.

OVERVIEW

We primarily manufacture and sell robotic products, and, to a lesser extent, provide related robotic solutions in Chinese Mainland and overseas markets, dedicated to the design, development, manufacturing and commercialization of our offerings. Leveraging our proprietary technology platform, we have cultivated a dynamic robotic application portfolio, comprising industrial robots, flexible collaborative robots, embodied intelligent robots, and related robotic solutions characterized by performance, agility, intelligence, safety and robustness.

We achieved robust growth and continually improved gross profit margin during the Track Record Period. Our revenue was RMB267.0 million, RMB325.3 million and RMB521.7 million in 2023, 2024 and 2025, respectively. We recorded gross profit of RMB30.6 million, RMB71.2 million and RMB114.2 million, respectively, representing gross profit margin of 11.4%, 21.9% and 21.9%, respectively. We recorded loss for the year of RMB157.5 million, RMB191.8 million and RMB179.3 million in the same periods, respectively. We recorded adjusted net loss for the year (non-HKFRS measure) of RMB101.3 million, RMB72.5 million and RMB41.7 million in the same periods, respectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by the general factors influencing the sectors that we operate in. For instance, as we operate in the rapidly growing robotics market, our business, financial performance, results of operations and future growth are affected by the development of the global robotics industry, especially the industrial robot industry and the growth of the industries in which our customers operate.

Chinese industrial robot market players are accelerating global expansion and breaking through growth bottlenecks through continuous technological upgrades. Driven by increasing domestic substitution, domestic players have significantly enhanced their core technologies, product performance, and system integration capabilities, gradually building the competitiveness to rival global leaders. Meanwhile, breakthroughs in high-speed, high-precision motion control and core components have enabled domestic players to challenge foreign dominance in the high-end segment, creating substantial opportunities for China's industrial robot industry to establish a new global growth paradigm. According to the CIC Report, the sales volume of robotic products in China's industrial robot industry is expected to increase from 293.9 thousands in 2025 to 465.3 thousands in 2030, at a CAGR of 9.6%. We expect to continue to leverage from the market opportunities to drive our sales and revenue growth in the future. In particular, we expect that our embodied intelligent robots will be one of our next growth engines. According to the CIC Report, China's embodied intelligent robot market is in a stage of rapid growth, which is expected to reach approximately RMB460.0 billion by 2035. During the Track Record Period, we

generated revenue primarily from sales of robotic products and provision of robotic solutions to enterprise customers. Our results of operations are highly dependent on the development and performance of these underlying industries of our customers, which are subject to a wide range of factors such as fluctuations in capital expenditures, regulatory changes, supply chain efficiencies and macroeconomic conditions. Meanwhile, macroeconomic conditions, regulatory environment and industrial policies, as well as global technological advancements and supply chain evolvements, have had and will continue to have an impact on our performance.

In addition to these general factors, our results of operations are affected by the following company-specific factors:

Our Technological Advantages and R&D Capabilities

Our robotic products and solutions are subject to rapidly evolving technological advancements and customer demands. To maintain our leading position in the industry and achieve sustainable growth, it is imperative that we continuously enhance our robotic products and solutions to adapt to these changes in a timely and effective manner. Consequently, our ability to efficiently develop and launch advanced robot models, as well as improve our existing robotic products and solutions, is critical to our growth prospects. We have demonstrated a proven track record in this area, evidenced by the seamless integration of our robotic products and solutions into the complex manufacturing processes of high-tech enterprise customers. We aim to continue leveraging our existing strengths to fortify our technology advancement and product portfolio, thereby driving our growth.

Our R&D capabilities are the cornerstone of our ability to enhance and develop robotic products and solutions. We have invested, and plan to continue investing, significant resources in our R&D efforts. In 2023, 2024 and 2025, our research and development expenses were RMB59.4 million, RMB54.2 million and RMB65.5 million, respectively, representing 22.2%, 16.7% and 12.6% of our revenue for the same periods, respectively. Given the R&D-intensive nature of the robotics industry, it requires substantial investments in developing proprietary core technologies, product development and upgrades and R&D talent to build competitiveness. We remain committed to iteration and optimization of high-precision and high-speed robot control systems, integrated drive and control technology, and perceptual interaction. We expect to continue to invest substantial resources in our R&D efforts, including harnessing our R&D team with relevant knowledge, expertise and acumen, and engaging in R&D activities for product development, upgrades and extension and technology enhancements. As a result, our research and development expenses may fluctuate along with, among others, development progress of our new products and the recruitment, retention and incentivization of our R&D personnel. To the extent that we increase our investments in R&D personnel and activities, our research and development expenses may increase in absolute amount and/or as a percentage of our total revenue and operating expenses. In addition, our R&D activities come with uncertainties in the process and outcome, and we cannot predict the results of and return on such investment, which may in turn affect our results of operations.

Customer Acquisition and Commercialization Capabilities

Our ability to reinforce relationship with existing customers and acquire new customers to broaden our customer base across both domestic and international markets, as well as effectively commercializing our robotic products and solutions, is crucial to our results of operations and continued growth.

We strategically focus on industry sectors, primarily including manufacturing, commercial services and healthcare. These sectors are characterized by complex processes, high precision requirements and rapid technological advancements, and demand intelligent robotic system that can operate autonomously and collaboratively in complex application scenarios. By aligning closely with the evolving needs of our existing customers, we have cultivated long-standing partnerships with key customers, driving significant business through repeat orders and large-scale deployments. As of the Latest Practicable Date, we had served more than 1,000 customers across over 40 countries and regions worldwide. We are dedicated to cultivating deeper relationships with customers providing customers with professional, efficient, and caring service support to help them maximize the value of robots by centering on the full-lifecycle of

robots, from procurement to deployment and further to operation and maintenance. In addition, the successful onboarding of new customers, particularly in emerging sectors and underserved geographic markets, serves as a critical growth driver that demonstrates the broadening applicability of our robotic products and solutions.

In domestic markets, we benefit from established customer relationships, localized service networks, and a deep understanding of regional industry needs. Meanwhile, overseas markets present substantial growth potential, driven by rising automation adoption in emerging economies, global supply chain reconfiguration, and increasing labor costs worldwide. Our revenue generated from overseas markets was RMB38.2 million, RMB29.2 million and RMB46.6 million in 2023, 2024 and 2025, respectively, representing 14.3%, 9.0% and 8.9% of our revenue for the same periods, respectively. Our commercialization capabilities are essential for further penetrating both domestic and international markets. Rapidly deployable robotic products and solutions to meet varying industry demand, competitive products and solutions with measurable impact on customers' operation, critical technological breakthroughs, and well-managed commercialization costs are critical to successfully commercializing our products and solutions.

Competition, Pricing and Offering Mix

We operate in an increasingly competitive industry. We face competition with international and domestic players with diverse capabilities, some of which may have longer operating history, greater business scale and resources, higher market recognition and more effective pricing strategies than us. We believe factors including strong R&D capabilities, in-depth understanding of application scenarios, ability to digitalize manufacturing settings and process and tailor robotic products and solutions are critical to our competitiveness in this market. We believe we have enjoyed certain competitive advantages as a result of our strong R&D capabilities, and will continue our development strategies to increase our competitiveness. Our pricing strategy directly affects our revenue generation, gross margins and overall profitability. Our pricing approach is designed to reflect the technological sophistication and value proposition of our robotic products while remaining competitive in both domestic and overseas markets. We employ a combination of value-based and cost-plus pricing model that considers factors such as product development, production and customization costs, after-sales service commitments, technological level involved, product competitiveness, market price and other market conditions. This strategy enables us to maintain healthy margins while ensuring our robotic products and solutions remain economically attractive to customers across different industries and regions. However, our financial results could be adversely affected if we are unable to maintain appropriate pricing levels due to increased competition, market saturation, or customer price sensitivity. Conversely, our ability to implement premium pricing for technologically advanced robotic products and solutions may enhance our revenue and profitability. The effectiveness of our pricing strategy will remain a critical determinant of our future financial performance.

The revenue mix from our different offerings also impacts our overall profitability. Due to the nature of these business lines and the levels of customization, our robotic products and solutions have different gross profit margin profiles. During the Track Record Period, robotic products generated gross profit margin (before write-down of inventories) of 16.7%, 26.5% and 24.8% in 2023, 2024 and 2025, respectively. Robotic solutions generated gross profit margin (before write-down of inventories) of 15.9%, 13.1% and 14.7% in the same periods, respectively. Robotic products, which are generally standardized products to benefit from the economies of scale, typically have growing and higher gross profit margin, compared to robotic solutions, which entail various degrees of customization and thus generally have lower gross profit margin. In addition, the business scale of robotic solutions is relatively small compared to robotic products, and thus the profit margin of a single or several contracts are more likely to cause fluctuations of the overall profit level of robotic solutions. During the Track Record Period, the revenue contribution from our robotic products increased from 68.0% in 2023 to 78.6% in 2025. The increase was primarily driven by a ramp-up of robotic product sales, which we expect would result in higher profitability and faster inventory turnover.

Effectiveness, Stability and Resilience of Our Supply Chain

Our supply chain capabilities are crucial to our ability to constantly deliver high-quality products that satisfy customer requirements, as well as our ability to achieve cost management and improve profitability. We have established long collaborations with a number of leading raw materials providers with rich experience in robotics to ensure the integrity and stability of our supply chain, which are pivotal to our proven record of mass production and successful delivery. Our ability to maintain stable and virtuous business relationship with these suppliers, collaborate with them in a cohesive and efficient manner and secure their capacity on favorable or reasonable commercial terms that meet our requirements is essential to our fulfillment capabilities.

Our cost of revenue, gross profit margin and results of operations are structurally affected by global and local supply chain status of the robotics industry, the availability, abundance and timeliness of raw materials and our suppliers' manufacturing capacity. These factors will affect our cost level, in particular our raw material costs which have a vital impact on our profitability, and we may adjust our stock preparation and procurement strategies from time to time in light of these evolving supply chain conditions, which may affect our margin. Our raw material costs were RMB190.2 million, RMB213.4 million and RMB347.2 million in 2023, 2024 and 2025, respectively, representing 80.4%, 84.0% and 85.2% of our total cost of revenue for the same periods, respectively. Our raw material costs may fluctuate due to a number of factors beyond our control, such as supply chain disruptions and inflation, and we are susceptible to significant changes in the availability, price and standard of key raw materials. We expect that our results of operations will continue to be affected by changes in the supply chain, as well as our strategies in response to these supply chain fluctuations.

Our Ability to Achieve Operating Efficiency

Our ability to achieve profitability and sustainable growth depends in part on our management of cost of revenue. In 2023, 2024 and 2025, our cost of revenue was RMB236.5 million, RMB254.1 million and RMB407.6 million, respectively, representing 88.6%, 78.1% and 78.1% of our revenue for the same periods, respectively. Our cost of revenue primarily consists of raw material costs, overhead costs, and direct labor costs. Changes in any major component of our cost of revenue and our overall cost structure could have an impact on our gross profit and gross profit margin. See "—Effectiveness, Stability and Resilience of Our Supply Chain."

Our business and results of operations are also significantly affected by our operating expenses, which primarily comprised selling and marketing expenses, administrative expenses and research and development expenses during the Track Record Period. Our selling and marketing expenses were RMB54.9 million, RMB63.0 million and RMB75.6 million in 2023, 2024 and 2025, respectively, representing 20.6%, 19.4% and 14.6% of our revenue for the same periods, respectively. Our administrative expenses were RMB32.7 million, RMB51.2 million and RMB33.4 million in 2023, 2024 and 2025, respectively, representing 12.3%, 15.7% and 6.4% of our revenue for the same periods, respectively. Our research and development expenses were RMB59.4 million, RMB54.2 million and RMB65.5 million in 2023, 2024 and 2025, respectively, representing 22.2%, 16.7% and 12.6% of our revenue for the same periods, respectively. Going forward, we may continue to incur increasing operating expenses due to increased employee headcount and greater operating expenditure to meet the increasing needs of our business operations. Our profitability will also depend on, among others, our ability to enhance operating efficiency, attain economies of scale and achieve operating leverage to keep these costs and expenses at levels commensurate with our business growth.

Seasonality

We generally recognize a significant portion of our revenue in the second half of a year, primarily because (1) our customers tend to complete their inspections in the third or fourth quarter to maintain better control over their annual capital expenditure and realize their annual budget, and (2) our customers tend to schedule their procurement in advance of the major holidays in China and overseas markets, many of which are in the fourth quarter, to avoid potential shipment disruptions and other logistic issues caused by holidays at the beginning of a new year. According to the CIC Report, such seasonality is generally prevalent in the robotics industry.

The degree of seasonality may vary from year to year due to conditions in the industry and other factors, which makes it difficult for us to predict the level of demand with precision. If seasonal demand exceeds our expectation, we may not have sufficient stock or arrange for timely production and delivery. If seasonal demand is lower than our expectation, we could be left with excess inventory, higher working capital and liquidity requirements, as well as the risk of impairment losses on our inventory. All of such may in turn affect our results of operations.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this historical financial information, we have adopted all applicable new and revised HKFRSs to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning January 1, 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning January 1, 2025 are set out in Note 2 to the Accountants' Report in Appendix I to this document.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related 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 operational results. Results may differ from these estimates under different assumptions and conditions.

Our management continually evaluates such estimates, assumptions and judgments based on historical experience and other assumptions which our management believes to be reasonable under the circumstances.

We set forth below accounting policies that we believe involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policy information, as well as our key source of estimation uncertainties, which are important for understanding our financial condition and results of operations, are set forth in Notes 3 and 4 to the Accountants' Report in Appendix I to this document.

Revenue from Contracts with Customers

Sales of robotic products

Our robotic products mainly include industrial robots, flexible collaborative robots, and embodied intelligent robots. As these standard products normally do not require complex installation or commissioning, revenue is recognized at the point in time when control of the product is transferred to the customer, generally upon delivery and acceptance of products. We normally grant customers a credit period of 30 to 90 days for sales of robotic products, based on the assessed credit worthiness of the customers, where down payment is normally required.

Provision of robotic solutions

Robotic solutions involve the design, manufacture, implementation, and commissioning of customized robotic systems that can perform the required tasks in the specific scenarios stipulated in the sales contract.

We believe that the goods and services promised under robotic solutions constitute a single performance obligation because these promises are highly interdependent, and the customer cannot derive significant benefit from any individual promise for its intended use without obtaining the other goods or services. Revenue from the sale of robotic solutions is recognized at point in time when the robotic solutions are accepted by the customers, and payment is generally due in 30 to 180 days upon the acceptance. The costs incurred to satisfy the performance obligation are recognized as contract costs and expensed when the related revenue is recognized.

Others

Others primarily consist of sales of spare parts related to robotic products and other support services, the performance obligation is satisfied at a point in time when control of the products are transferred to the customers or services are completed. Payment is generally due upon transfer of control or completion of services and customer acceptance.

Warranties

Sales-related warranties are not sold separately and serve as an assurance that the products sold comply with agreed-upon specifications. We account for these warranties in accordance with HKAS 37, "Provisions, Contingent Liabilities, and Contingent Assets." The warranty provision is based on historical experience and management's best estimate and is updated at each reporting period.

Share-based Payments

Equity-settled share-based payment transactions

Shares granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on our estimate of equity instruments that will eventually vest, with a corresponding increase in equity (capital and other reserve). At the end of each reporting period, we revise our estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital and other reserve.

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, we recognize, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if we modify the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period. We take the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the

original vesting period. If the modification occurs after vesting period, the incremental fair value granted is recognized immediately, or over the vesting period if additional period of service is required before the modified equity instruments are vested.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, we continue to account for the original equity instruments granted as if that modification had not occurred.

Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

Provision of ECL for Trade Receivables

Generally, we use practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration our historical default rates and forward-looking information that is available without undue cost or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. Trade receivables with credit-impaired are assessed for ECL individually.

Write-down of Inventories

Our inventories are stated at the lower of cost and net realizable value. We write down our inventories based on estimates of the realizable value with reference to the latest sale prices and current market conditions. Inventories will be reviewed periodically for write-down, if appropriate. The provision against inventories requires the use of judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognized in the periods in which such estimates have been changed.

Impairment Testing of Certain Non-financial Assets

In accordance with IAS 36, we assess at the end of each reporting period whether there are any indications that non-current assets (other than financial assets) may be impaired. If any such indication exists, we estimate the recoverable amount of the assets.

In 2023, 2024 and 2025, we recorded net losses of RMB157.5 million, RMB191.8 million and RMB179.3 million, respectively, primarily because our business model focuses on sustained investment in core technologies upfront. In view of such prolonged period of overall losses, there are indications of impairment.

We performed impairment tests at each period-end on non-current assets (primarily including property, plant and equipment, right-of-use assets and intangible assets) that show indications of impairment and estimate the recoverable amount of the non-current asset. The recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

We are primarily engaged in the design, development, manufacturing and commercialization of intelligent robots and robotic solutions. The non-current assets other than financial assets mainly include manufacturing factories, plant and machinery, software, leasehold lands and leased properties. We are highly centralized managed and our operating activities are all governed and managed in headquarters. We have identified the CGU as the smallest group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets, as the recoverable amount cannot be estimated on an individual asset basis. Our corporate assets are not material and have been allocated to the identified CGU for impairment testing purpose. The recoverable amount was determined based on a value-in-use calculation using cash flow projections derived from management's best estimates. Based on the impairment test results, the carrying amount of the CGU with impairment indications did not exceed its recoverable amount based on value in use, and accordingly no impairment was recognised.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss items for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Revenue*	*Amount*	*% of Revenue*	*Amount*	*% of Revenue*
	(RMB in thousands, except for percentages)					
Revenue	267,025	100.0	325,257	100.0	521,747	100.0
Cost of revenue	(236,454)	(88.6)	(254,065)	(78.1)	(407,579)	(78.1)
Gross profit	**30,571**	**11.4**	**71,192**	**21.9**	**114,168**	**21.9**
Other income	15,070	5.7	16,503	5.0	20,849	4.0
Other gains and losses	14,198	5.3	9,060	2.8	2,907	0.6
Impairment losses under ECL model, net of reversal	(975)	(0.3)	(19,943)	(6.1)	(4,847)	(0.9)
Selling and marketing expenses	(54,887)	(20.6)	(62,951)	(19.4)	(75,624)	(14.6)
Administrative expenses	(32,745)	(12.3)	(51,151)	(15.7)	(33,413)	(6.4)
Research and development expenses	(59,370)	(22.2)	(54,218)	(16.7)	(65,508)	(12.6)
Finance costs	(69,326)	(26.0)	(100,248)	(30.8)	(122,488)	(23.5)
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loss before tax	**(157,464)**	**(59.0)**	**(191,756)**	**(59.0)**	**(179,312)**	**(34.4)**
Income tax expense	–	–	–	–	–	–
Loss for the year	**(157,464)**	**(59.0)**	**(191,756)**	**(59.0)**	**(179,312)**	**(34.4)**

NON-HKFRS MEASURE

To supplement our consolidated financial statements which are presented in accordance with the HKFRSs, we also use adjusted net loss (non-HKFRS measure) as additional financial measure, which is not required by, or presented in accordance with, the HKFRSs. We believe that such non-HKFRS measure facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-HKFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under HKFRSs.

We define adjusted net loss (non-HKFRS measure) as loss for the year or period adjusted for interest on redemption liabilities, modification on redemption liabilities, share-based payment expenses and [**REDACTED**] expenses. Modification of redemption liabilities is a gain resulting from the deferral of the exercise date of the redemption right. [**REDACTED**] expenses are incurred with the [**REDACTED**] and [**REDACTED**]. Share-based payment expenses are non-cash expenses arising from the share incentives that we grant to employees. Interest on redemption liabilities represent interests accrued on the redemption rights of the [**REDACTED**] Investors included in our financing arrangements. The redemption liabilities will be derecognized upon the termination of the redemption rights and there will be no more interest on redemption liabilities regarding such [**REDACTED**] Investments upon the [**REDACTED**]. The following table sets out a reconciliation from adjusted net loss (non-HKFRS measure) presented in accordance with the HKFRSs, which is loss for the year.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Loss for the year	(157,464)	(191,756)	(179,312)
Add: interests on redemption liabilities	68,209	99,937	122,284
Add: modification of redemption liabilities	(13,919)	–	–
Add: share-based payment expenses	1,847	19,351	–
Add: [**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss (non-HKFRS measure)	**(101,327)**	**(72,468)**	**(41,672)**

KEY COMPONENTS OF OUR CONSOLIDATED INCOME STATEMENTS

Revenue

During the Track Record Period, we primarily generated revenue from (1) sales of robotic products, and (2) provision of robotic solutions. In 2023, 2024 and 2025, our revenue was RMB267.0 million, RMB325.3 million and RMB521.7 million, respectively. The following table sets forth a breakdown of our revenue by product and solution category for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Total*	*Amount*	*% of Total*	*Amount*	*% of Total*
	(RMB in thousands, except for percentages)					
Sales of robotic products	181,608	68.0	268,666	82.6	409,918	78.6
Industrial robots	111,803	41.9	166,938	51.3	224,747	43.1
– Light-payload robots	*106,715*	*40.0*	*148,998*	*45.8*	*196,803*	*37.7*
– Medium-payload robots	*2,057*	*0.8*	*9,918*	*3.0*	*13,263*	*2.6*
– Heavy-payload robots	*3,031*	*1.1*	*8,022*	*2.5*	*14,681*	*2.8*
Flexible collaborative robots	67,041	25.1	94,643	29.1	138,157	26.5
Embodied intelligent robots	2,764	1.0	7,085	2.2	47,014	9.0
Provision of robotic solutions	79,211	29.7	51,112	15.7	100,014	19.2
Others[(1)]	6,206	2.3	5,479	1.7	11,815	2.2
Total	**267,025**	**100.0**	**325,257**	**100.0**	**521,747**	**100.0**

(1) Others comprise sales of spare parts related to robot products and other technical services.

Our revenue increased during the Track Record Period, primarily driven by the increase in revenue from sales of robotic products due to the increase in sales volume, as we continuously enhanced the functions of our existing robotic products, launched new robotic products, and experienced an increase in market demand, along with our increasing brand awareness and expanding sales channels.

During the Track Record Period, we generated revenue from multiple countries and regions, including China, Europe, other Asian markets, Americas and Africa. The following table sets forth a breakdown of our revenue by geographic market for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Total*	*Amount*	*% of Total*	*Amount*	*% of Total*
	(RMB in thousands, except for percentages)					
Chinese Mainland	**228,856**	**85.7**	**296,027**	**91.0**	**475,126**	**91.1**
Overseas markets	**38,169**	**14.3**	**29,230**	**9.0**	**46,621**	**8.9**
Other Asian markets	*8,093*	*3.0*	*7,669*	*2.4*	*25,729*	*4.9*
Turkey	–	–	661	0.2	8,645	1.7
Singapore	–	–	109	0.1	7,172	1.4
South Korea	4,190	1.5	4,429	1.3	3,402	0.6
Japan	667	0.3	1,789	0.6	3,159	0.6
Others[(1)]	3,236	1.2	681	0.2	3,351	0.6
Europe	*9,948*	*3.7*	*11,460*	*3.5*	*15,467*	*3.0*
Italy	711	0.3	1,032	0.3	2,940	0.6
Poland	–	–	1,881	0.6	2,347	0.5
Germany	1,377	0.5	3,853	1.2	1,765	0.3
Russia	6,981	2.6	2,651	0.8	737	0.1
Others[(2)]	879	0.3	2,043	0.6	7,678	1.5
Americas	*20,128*	*7.6*	*7,271*	*2.2*	*5,352*	*1.0*
Mexico	19,689	7.4	6,887	2.1	2,865	0.5
Others[(3)]	439	0.2	384	0.1	2,487	0.5
Africa	–	–	*2,830*	*0.9*	*73*	*0.0*
Morocco	–	–	2,830	0.9	73	0.0
Total	**267,025**	**100.0**	**325,257**	**100.0**	**521,747**	**100.0**

(1) Others in other Asian markets primarily include Malaysia and Uzbekistan, and the revenue contribution from each of these countries accounted for less than 0.8% of our total revenue for each year during the Track Record Period.

(2) Others in Europe primarily include Portugal, Spain, and Slovenia, and the revenue contribution from each of these countries accounted for less than 0.6% of our total revenue for each year during the Track Record Period.

(3) Others in the Americas primarily include the United States and Brazil, and the revenue contribution from each of these countries accounted for less than 0.5% of our total revenue for each year during the Track Record Period.

Our revenue from Chinese Mainland both as a percentage of our total revenue and in absolute amount increased in 2024, primarily due to the expansion and enhancement of our robotics product matrix and brand awareness, which captured the market demand from Chinese customers. Our revenue from overseas markets decreased in 2024, primarily due to the changes in procurement schedule of certain local customers.

Our revenue from Chinese Mainland increased as a percentage of our total revenue and in absolute amount in 2025, primarily due to the sales growth of our embodied intelligent robots, which captured the market demand from major Chinese customers. Our revenue from overseas increased as a percentage of our total revenue and in absolute amount in 2025, primarily due to our enhanced investment in the overseas market, as we attended a greater number of trade shows overseas to strengthen brand awareness.

Cost of Revenue

In 2023, 2024 and 2025 our cost of revenue was RMB236.5 million, RMB254.1 million and RMB407.6 million, respectively, representing 88.6%, 78.1% and 78.1% of our revenue for the same periods, respectively. Our cost of revenue primarily consists of (1) raw materials, primarily including castings and machine parts, speed reducers, servo motors, cables, seniors and other components, (2) overhead costs, primarily including utilities fees for production facilities and depreciation charges of our production equipment, and (3) direct labor costs, primarily related to our production personnel. The following table sets forth a breakdown of our cost of revenue by nature for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Total*	*Amount*	*% of Total*	*Amount*	*% of Total*
	(RMB in thousands, except for percentages)					
Raw material costs	190,184	80.4	213,368	84.0	347,192	85.2
Overhead costs	15,557	6.6	15,747	6.2	27,117	6.7
Direct labor costs	16,229	6.9	16,738	6.6	26,998	6.6
Subtotal	**221,970**	**93.9**	**245,853**	**96.8**	**401,307**	**98.5**
Write-down of inventories	14,484	6.1	8,212	3.2	6,272	1.5
Total	**236,454**	**100.0**	**254,065**	**100.0**	**407,579**	**100.0**

Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, our gross profit was RMB30.6 million, RMB71.2 million and RMB114.2 million, respectively, representing gross profit margin of 11.4%, 21.9% and 21.9%, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by product type for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	(RMB)	*(%)*	*(RMB)*	*(%)*	*(RMB)*	*(%)*
	(RMB in thousands, except for percentages)					
Robotic products	30,403	16.7	71,190	26.5	101,628	24.8
– Industrial robots	*16,653*	*14.9*	*37,769*	*22.6*	*48,551*	*21.6*
– Collaborative robots	*14,687*	*21.9*	*31,254*	*33.0*	*48,052*	*34.8*
– Embodied intelligent robots	*(937)*	*(33.9)*	*2,167*	*30.6*	*5,025*	*10.7*
Robotic solutions	12,585	15.9	6,673	13.1	14,664	14.7
Others[(1)]	2,067	33.3	1,541	28.1	4,148	35.1
Subtotal	**45,055**	**16.9**	**79,404**	**24.4**	**120,440**	**23.1**
Less: write-down of inventories	(14,484)		(8,212)		(6,272)	
Total	**30,571**	**11.4**	**71,192**	**21.9**	**114,168**	**21.9**

(1) Others comprise sales of spare parts related to robot products and other technical services.

Our gross profit margins across our product lines are affected by a combination of factors, including market conditions, product characteristics, selling prices and unit production costs, which vary across different types of robotic products. Industrial robots are primarily used in structured manufacturing environments where tasks are repetitive and standardized. Such products generally have relatively mature

product life cycles and operate in a more competitive market environment. Flexible collaborative robots are typically deployed in scenarios where humans and robots work together and therefore require a higher degree of safety, flexibility and ease of use. Embodied intelligent robots are designed for more complex and dynamic environments where tasks cannot be fully pre-defined and require real-time perception, decision-making and adaptive execution.

The gross profit margin of our industrial robots increased from 14.9% in 2023 to 22.6% in 2024, primarily driven by (1) increased production volume and the resulting economies of scale, and (2) a reduction in component costs and ongoing cost optimization initiatives across our supply chain and research and development, which together led to lower unit production costs and improved cost efficiency. Such improvement was also in the context of a relatively mature industrial robot market with a longer development history and product lifecycle, where competition is relatively intense, and cost efficiency and scale are key drivers of margin enhancement. The gross profit margin slightly decreased from 22.6% in 2024 to 21.6% in 2025, primarily attributable to adjustments in selling prices in response to market conditions. In particular, intensified competition and pricing pressure from a limited number of customers led to a more pronounced decline in the average selling price of our industrial robots, resulting in a slight decrease in gross profit margin. The gross profit margin of our collaborative robots increased steadily from 21.9% in 2023 to 33.0% in 2024 and further to 34.8% in 2025. Such increase was primarily driven by continued cost reduction and efficiency improvement measures, which led to declining unit production costs. In addition, leveraging our technological advantages in flexible collaborative robots, we are able to meet specific customer requirements in such application scenarios and maintain a certain degree of pricing flexibility, which, together with cost reductions from scale expansion and R&D efforts, contributed to the increase in gross profit margin. The gross profit margin of our embodied intelligent robots improved significantly from a gross loss margin of 33.9% in 2023 to a gross profit margin of 30.6% in 2024. Such turnaround was primarily attributable to (1) the commercialization progress of our CMR composite robots, which were in the early launch stage in 2023 and became more mature in 2024, and (2) the relatively higher materials, labor and production costs incurred in 2023 in connection with a major order, revenue from which accounted for over 80% of our embodied intelligent robots segment in 2023, which was undertaken as part of our strategy to establish benchmark customers in the embodied intelligent market. The embodied intelligent robot market is an emerging market, and we proactively captured market opportunities during the Track Record Period by making early-stage investments in R&D and cultivating market demand. The gross profit margin decreased from 30.6% in 2024 to 10.7% in 2025, primarily due to changes in revenue mix and the early-stage commercialization of newly launched products. In particular, in 2025, we launched our AR series and fulfilled a large-scale order for such products, resulting in a higher revenue contribution from these newly introduced models. As the production processes for such products had yet to fully mature, higher manufacturing and unit costs were incurred, which adversely affected gross profit margin. As we continue to optimize and scale up production of embodied intelligent robots, we expect our gross profit margin to improve over time.

While the cost structure of China's industrial robot industry has exhibited a declining trend in recent years, primarily driven by reductions in the prices of key components, our Directors believe that reductions in component costs do not translate into a proportional decrease in our product prices, and we expect our gross profit margin to improve over time. This is because the pricing of our products is not solely determined by BOM costs, but also reflects our technological capabilities, product reliability, brand positioning and after-sales service, which together support a degree of pricing stability. Our in-house development of core technologies, including our forward design and validation system and the xCore control system, enhance our pricing power by allowing us to deliver integrated hardware and software solutions, for which customers place value beyond hardware inputs alone. See "Business — Our Technology Platform — Our ROKAE Robotic Technolgy Platform." In addition, as we increasingly focus on higher value-added products such as flexible collaborative robots and embodied intelligent robots, which involve higher technical barriers, our product pricing is driven more by the overall value delivered rather than underlying component costs. Coupled with expected economies of scale as our business continues to grow, including improved procurement efficiency and better fixed cost absorption, we believe that our gross profit margin will exhibit an improving trend over time.

The following table sets forth a breakdown of our gross profit and gross profit margin by geographic market for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB in thousands, except for percentages)					
Chinese Mainland	28,991	12.7%	65,837	22.2%	98,471	20.73%
Overseas market[(1)]	16,064	42.1%	13,567	46.4%	21,969	47.12%
Subtotal	**45,055**	**16.9%**	**79,404**	**24.4%**	**120,440**	**23.1%**
Less: write-down of inventories	(14,484)		(8,212)		(6,272)	
Total	**30,571**	**11.4%**	**71,192**	**21.9%**	**114,168**	**21.9%**

(1) Include Europe, other Asian markets, Americas and Africa.

Our overall gross profit margin increased from 11.4% in 2023 to 21.9% in 2025, primarily due to the increase in the gross profit margin for the sale of our robots as we continued to scale our production and achieve reduced unit cost, partially offset by the general decrease in the gross profit margin for the provision of our robotic solutions as we incurred a higher initial layout of costs from our expansion into new industry sectors.

Other Income

We recorded other income of RMB15.1 million, RMB16.5 million and RMB20.8 million in 2023, 2024 and 2025, respectively. Our other income primarily consist of (1) government grants, mainly including subsidies received from the government for the research and development of front-end technologies, (2) interest income from bank and term deposits, and (3) value-added tax super deductions. The following table sets forth a breakdown of our other income for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Government grants	10,502	11,145	14,343
Interest income from bank and term deposits	3,476	3,198	6,298
Value-added tax super deduction	891	2,111	155
Others	201	49	53
Total	**15,070**	**16,503**	**20,849**

Other Gains and Losses

Our other gains and losses primarily consist of (1) fair value changes of financial assets at FVTPL in connection with our wealth management products and structured deposits, (2) net foreign exchange gains, and (3) modification of redemption liabilities in connection with the share transfer of certain investors with redemption rights. We recorded other gains of RMB14.2 million, RMB9.1 million and RMB2.9 million for 2023, 2024 and 2025, respectively. The following table sets forth a breakdown of our other gains and losses for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Fair value changes of financial assets at FVTPL	504	9,245	3,317
Net foreign exchange gains	258	125	11
Loss on disposal of property, plant and equipment and intangible assets	(304)	(253)	(131)
Modification of redemption liabilities	13,919	–	–
(Loss)/gain from lease termination	(72)	18	–
Others	(107)	(75)	(290)
Total	**14,198**	**9,060**	**2,907**

Impairment Losses under ECL Model, Net of Reversal

We recorded impairment losses under ECL model, net of reversal, of RMB1.0 million, RMB19.9 million and RMB4.8 million for 2023, 2024 and 2025, respectively. The impairment losses under ECL model were primarily related to our trade receivables during the Track Record Period. For details, see "—Discussion of Certain Balance Sheet Items—Trade Receivables/Notes Receivables Measured at FVTOCI".

Selling and Marketing Expenses

In 2023, 2024 and 2025, our selling and marketing expenses were RMB54.9 million, RMB63.0 million and RMB75.6 million, respectively, representing 20.6%, 19.4% and 14.6% of our revenue for the same periods, respectively. Our selling and marketing expenses primarily consist of (1) employee benefit expenses, mainly representing salaries, wages and bonuses and share-based compensation for our sales and marketing personnel, (2) business development and customer service expenses, mainly representing pre-sales business development and after-sales customer services, (3) advertising and promotion expenses, (4) rental fees, and (5) depreciation and amortization. The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Total*	*Amount*	*% of Total*	*Amount*	*% of Total*
	(RMB in thousands, except for percentages)					
Employee benefit expenses	36,174	65.9	39,924	63.4	48,297	63.9
Business development and customer service expenses	8,606	15.7	14,456	23.0	18,449	24.4
Advertising and promotion expenses	4,513	8.2	2,593	4.1	3,537	4.7
Rental fees	1,821	3.3	1,946	3.1	1,753	2.3
Depreciation and amortization	1,428	2.6	1,423	2.3	1,299	1.7
Others[(1)]	2,345	4.3	2,609	4.1	2,289	3.0
Total	**54,887**	**100.0**	**62,951**	**100.0**	**75,624**	**100.0**

(1) Others comprise office expenses and sundry expenses.

Administrative Expenses

In 2023, 2024 and 2025, our administrative expenses were RMB32.7 million, RMB51.2 million and RMB33.4 million, respectively, representing 12.3%, 15.7% and 6.4% of our revenue for the same periods, respectively. Our administrative expenses primarily consist of (1) employee benefit expenses, mainly representing salaries, wages and bonuses, (2) consulting service fees, mainly representing recruitment service fees, (3) rental fees, (4) depreciation and amortization, (5) travel and office expenses, and (6) share-based compensation for our administrative personnel. The following table sets forth a breakdown of our administrative expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Total*	*Amount*	*% of Total*	*Amount*	*% of Total*
	(RMB in thousands, except for percentages)					
Employee benefit expenses	15,238	46.5	15,504	30.3	18,825	56.3
Consulting service fees	4,718	14.4	4,845	9.5	2,147	6.4
Rental fees	3,925	12.0	3,819	7.5	3,350	10.0
Depreciation and amortization	3,786	11.6	3,075	6.0	3,167	9.5
Travel and office expenses	1,952	6.0	2,536	5.0	2,827	8.5
Share-based compensation	1,150	3.5	19,129	37.4	–	–
Others[(1)]	1,976	6.0	2,243	4.3	3,097	9.3
Total	**32,745**	**100.0**	**51,151**	**100.0**	**33,413**	**100.0**

(1) Others comprise property taxes and other tax surcharges.

Research and Development Expenses

In 2023, 2024 and 2025, our research and development expenses were RMB59.4 million, RMB54.2 million and RMB65.5 million, respectively, representing 22.2%, 16.7% and 12.6% of our revenue for the same periods, respectively. Our research and development expenses primarily consist of (1) employee benefit expenses mainly representing salaries, wages and bonuses and share-based compensation for our research and development personnel, (2) professional service fees, mainly representing outsourced testing fees, certification fees, and design fees, (3) rental fees, (4) materials and consumables, and (5) depreciation and amortization. The following table sets forth a breakdown of our research and development expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*% of Total*	*Amount*	*% of Total*	*Amount*	*% of Total*
	(RMB in thousands, except for percentages)					
Employee benefit expenses	40,989	69.0	39,425	72.7	48,255	73.7
Professional service fees	1,303	2.2	3,414	6.3	3,309	5.1
Rental fees	2,882	4.9	2,056	3.8	2,540	3.9
Materials and consumables	10,366	17.5	6,308	11.6	6,868	10.5
Depreciation and amortization	2,112	3.6	1,893	3.5	2,015	3.1
Others[(1)]	1,718	2.8	1,122	2.1	2,521	3.7
Total	**59,370**	**100.0**	**54,218**	**100.0**	**65,508**	**100.0**

(1) Others comprise travel expenses.

Finance Costs

Our finance costs primarily consist of interests on redemption liabilities, lease liabilities and borrowings and others. In 2023, 2024 and 2025, our finance costs was RMB69.3 million, RMB100.2 million and RMB122.5 million, respectively. The following table sets forth a breakdown of our finance costs for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Interests on redemption liabilities	68,209	99,937	122,284
Interests on lease liabilities	351	126	204
Interests on borrowings and others	766	185	–
Total	**69,326**	**100,248**	**122,488**

Finance costs increased from RMB69.3 million in 2023 to RMB100.2 million in 2024, and further to RMB122.5 million in 2025, primarily due to higher interest expenses on redemption liabilities, mainly driven by the increase in our [**REDACTED**] financing activities during the Track Record Period. Specifically, in 2023, we completed the Strategic+ Series Investment and a subsequent tranche of the Strategic+ series investment, raising approximately RMB500.0 million. In 2024, we conducted a further tranche of the Strategic+ series investment, raising approximately RMB85.0 million. In 2025, we completed the [**REDACTED**] Series Investment, raising approximately RMB195.0 million. As a result of these successive financing rounds, the redemption liabilities associated with the relevant preferred shares increased cumulatively over the Track Record Period from RMB1,476.6 million in 2023, to RMB1,661.5 million in 2024, and further to RMB2,033.8 million in 2025, which led to a corresponding increase in interest expenses calculated on such liabilities year over year, from RMB68.2 million in 2023, to RMB99.9 million in 2024, and further to RMB122.3 million in 2025. See "History, Development and Corporate [**REDACTED**] Investments," and Note 34 to the Accountant's Report in Appendix I to this document. Upon [**REDACTED**], the redemption rights attached to these investments will be terminated, and the related redemption liabilities will be fully derecognized. As a result, we will no longer incur interest expenses on these redemption liabilities post-[**REDACTED**], which is expected to reduce our finance costs going forward.

Income Tax Expense

We did not record income tax expense during the Track Record Period, as we recorded loss before tax historically.

During the Track Record Period, our Company and certain subsidiaries within our Group were entitled to preferential income tax rates of 15% or 20% as they were qualified for HNTEs or small and micro enterprises pursuant to the relevant tax regulations. Our Company and certain subsidiaries were also entitled to claim super deductions (175.0% or 200.0%) of certain qualified research and development expenses as tax deductible expenses.

During the Track Record Period and up to the Latest Practicable Date, we did not have any outstanding disputes or unresolved tax issues with the relevant tax authorities.

For details, see Note 10 to the Accountants' Report in Appendix I to this document.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 60.4% from RMB325.3 million in 2024 to RMB521.7 million in 2025.

- ***Sales of robotic products.*** Our revenue from sales of robotic products increased by 52.6% from RMB268.7 million in 2024 to RMB409.9 million in 2025, primarily due to the increase in sales volume of robotic products from over 6,000 units in 2024 to over 10,000 units in 2025, driven by our increasing brand awareness and expanding application scenarios for our robots.

- ***Provision of robotic solutions.*** Our revenue from providing robotic solutions increased by 95.7% from RMB51.1 million in 2024 to RMB100.0 million in 2025, primarily due to revenue recognition from more projects with final acceptance in 2025.

- ***Others***. Our revenue from others increased significantly from RMB5.5 million in the 2024 to RMB11.8 million in 2025, primarily due to the increase in sales of spare parts related to robot products and other technical services in line with the increase in sales volume of robotic products.

Cost of revenue

Our cost of revenue increased by 60.4% from RMB254.1 million in 2024 to RMB407.6 million in 2025, primarily due to an increase in raw material costs of RMB133.8 million, in line with increased sales of our robotic products in 2025.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased significantly from RMB71.2 million in 2024 to RMB114.2 million in 2025, generally in line with our overall increase in revenue. Our gross profit margin remained stable at 21.9% and 21.9% in 2024 and 2025, respectively.

- ***Sales of robotic products***. The gross profit margin of sales of robotic products (before write-down of inventories) decreased from 26.5% in 2024 to 24.8% in 2025, primarily due to the increased sales of embodied intelligent robots, which, being in the early stage of commercial deployment, had relatively higher unit costs and thus lower gross profit margins.

- ***Provision of robotic solutions***. The gross profit margin of provision of robotic solutions (before write-down of inventories) increased from 13.1% in 2024 to 14.7% in 2025, primarily due to the final acceptance of several higher profit margin projects in 2025.

- ***Others***. The gross profit margin of others (before write-down of inventories) increased from 28.1% in 2024 and 35.1% in 2025, primarily due to an increase in the provision of other technical services, which generally have a higher gross profit margin.

Other income

Our other income increased by 26.3% from RMB16.5 million in 2024 to RMB20.8 million in 2025, primarily due to an increase of RMB3.2 million in government grants, in connection with the completion certain key R&D projects in 2025, partially offset by a decrease of RMB2.0 million value-added tax super deduction.

Other gains and losses

Our other gains decreased by 67.9% from RMB9.1 million in 2024 to RMB2.9 million in 2025, primarily due to decrease of RMB5.9 million of fair value changes of financial assets at FVTPL, mainly resulting from the higher yields of wealth management products purchased in 2024 compared to those in 2025.

Impairment losses under ECL model, net of reversal

Our impairment losses under ECL model, net of reversal, decreased by 75.7% from RMB19.9 million in 2024 to RMB4.8 million in 2025, primarily due to a decrease of RMB15.2 million of impairment losses recognized on trade receivables, as a result of our enhanced collection efforts for trade receivables in 2025.

Selling and marketing expenses

Our selling and marketing expenses increased by 20.1% from RMB63.0 million in the 2024 to RMB75.6 million in 2025, primarily due to (1) the increase in employee benefit expenses, mainly driven by the increase in the headcount of our sales and marketing personnel, and (2) the increase in business development and customer service expenses in line with our business growth.

Administrative expenses

Our administrative expenses decreased by 34.7% from RMB51.2 million in 2024 to RMB33.4 million in 2025, primarily due to the decrease in share-based compensation, mainly driven by a one-off share-based payment expenses recognized in 2024.

Research and development expenses

Our research and development expenses increased by 20.8% from RMB54.2 million in the 2024 to RMB65.5 million in 2025, primarily due to the increase in employee benefit expenses, mainly driven by the increase in the headcount of our R&D personnel.

Finance costs

Our finance costs increased by 22.2% from RMB100.2 million in 2024 to RMB122.5 million in 2025, primarily due to the increase in interests on redemption liabilities, as a result of the increasing interests accrued on the redemption rights of the [**REDACTED**] Investors included in our financing arrangements along with our increasing financing activities.

Loss for the year

As a result of the foregoing, our loss for the year decreased by 6.5% from RMB191.8 million for 2024 to RMB179.3 million in 2025.

Year ended December 31, 2024 Compared to Year ended December 31, 2023

Revenue

Our revenue increased by 21.8% from RMB267.0 million in 2023 to RMB325.3 million in 2024.

- ***Sales of robotic products***. Our revenue from sales of robotic products increased by 47.9% from RMB181.6 million in 2023 to RMB268.7 million in 2024, primarily due to the increase in sales volume of robotic products from over 3,700 units in 2023 to over 6,100 units in 2024, driven by our increasing brand awareness and expanding application scenarios for our robots.

- ***Provision of robotic solutions***. Our revenue from providing robotic solutions decreased by 35.5% from RMB79.2 million in 2023 to RMB51.1 million in 2024, primarily because we strategically became more selective in pursuing key customers for new projects.

- ***Others***. Our revenue from others decreased by 11.7% from RMB6.2 million in 2023 to RMB5.5 million in 2024, primarily due to fluctuation in customer needs.

Cost of revenue

Our cost of revenue increased by 7.4% from RMB236.5 million in 2023 to RMB254.1 million in 2024, primarily due to an increase in raw material costs of RMB23.2 million, primarily due to the increase in the sales volume of our robotic products, partially offset by a decrease in write-down inventories of RMB6.3 million, primarily as a result of our enhanced inventory management efforts.

Gross profit and gross profit margin

As a result of the forgoing, our gross profit increased significantly from RMB30.6 million in 2023 to RMB71.2 million in 2024. Our gross profit margin increased from 11.4% in 2023 to 21.9% in 2024.

- ***Sales of robotic products***. The gross profit margin of sales of robotic products (before write-down of inventories) increased from 16.7% in 2023 to 26.5% in 2024, primarily due to the reduced unit cost as a result of a greater effect of economies of scale with scaling production and improved supplier bargaining power.

- ***Provision of robotic solutions***. The gross profit margin of provision of robotic solutions (before write-down of inventories) decreased from 15.9% in 2023 to 13.1% in 2024, primarily due to our expansion into new downstream industry sectors, such as the photovoltaic and shipbuilding industries, and new customers, which required higher initial layout of costs to address specific customer needs, resulting in higher costs during the initial stage of our solution projects.

- ***Others***. The gross profit margin of others (before write-down of inventories) decreased from 33.3% in 2023 to 28.1% in 2024, primarily due to a greater proportion of technical services in 2023 with relatively higher margin. Our technical services are sporadic and non-recurring in nature, subject to customer demand which fluctuated period over period.

Other income

Our other income increased by 9.5% from of RMB15.1 million in 2023 to RMB16.5 million in 2024, primarily due to (1) an increase of RMB1.2 million in value-added tax super deduction, and (2) an increase of RMB0.6 million in government grants.

Other gains and losses

Our other gains decreased by 36.2% from RMB14.2 million in 2023 to RMB9.1 million in 2024, primarily due to the recognized RMB13.9 million one-off gain from the modification of redemption liabilities in 2023, in relation to the deferral of exercise date of the redemption rights, partially offset by an increase of RMB8.7 million of fair value changes of financial assets at FVTPL.

Impairment losses under ECL model, net of reversal

Our impairment losses under ECL model, net of reversal increased significantly from RMB1.0 million in 2023 to RMB19.9 million in 2024, primarily due to the increase in impairment losses recognized on trade receivables of RMB19.1 million as a result of the increased trade receivables in line with revenue growth.

Selling and marketing expenses

Our selling and marketing expenses increased by 14.7% from RMB54.9 million in 2023 to RMB63.0 million in 2024, primarily due to (1) the increase in employee benefit expenses, mainly driven by the increase in the headcount of our sales and marketing personnel responsible for after-sales customer service, and (2) the increase in business development and customer service expenses in line with our business growth.

Administrative expenses

Our administrative expenses increased by 56.2% from RMB32.7 million in 2023 to RMB51.2 million in 2024, primarily due to the increase in the share-based compensation recognized in relation to an equity transaction between Shareholders of our Company.

Research and development expenses

Our research and development expenses decreased by 8.7% from RMB59.4 million in 2023 to RMB54.2 million in 2024, primarily due to the lower procurement of materials and consumables in accordance with our then existing product development plan which did not schedule major new product model launch in 2024.

Finance costs

Our finance costs increased by 44.6% from RMB69.3 million in 2023 to RMB100.2 million in 2024, primarily due to an increase in interests on redemption liabilities, as a result of the increasing interests accrued on the redemption rights of the [**REDACTED**] Investors included in our financing arrangements along with our increasing financing activities.

Loss for the year

As a result of the foregoing, our loss for the year increased by 21.8% from RMB157.5 million in 2023 to RMB191.8 million in 2024.

DISCUSSION OF CERTAIN BALANCE SHEET ITEMS

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current Assets			
Property, plant and equipment	130,476	143,801	147,567
Right-of-use assets	22,994	23,934	21,581
Intangible assets	1,665	982	6,113
Term deposits	63,437	30,627	121,523
Prepayments, deposits and other receivables	2,225	3,698	1,028
Total non-current assets	**220,797**	**203,042**	**297,812**
Current Assets			
Inventories	99,347	86,499	195,163
Trade receivables	116,551	206,354	266,823
Notes receivables measured at fair value through other comprehensive income ("FVTOCI")	10,236	24,149	59,203
Contract assets	5,761	3,826	8,067
Contract costs	22,601	51,451	16,569
Prepayments, deposits and other receivables	17,636	16,435	26,011
Financial assets at fair value through profit or loss ("FVTPL")	50,109	293,571	232,518
Term deposits	–	55,080	134,602
Restricted bank deposits	–	1,778	1,918
Cash and cash equivalents	451,410	21,811	14,801
Total current assets	**773,651**	**760,954**	**955,675**

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current Liabilities			
Trade payables	99,686	115,238	251,791
Other payables and accruals	117,812	40,033	56,609
Lease liabilities	2,468	1,860	1,773
Borrowings	14,952	23,983	34,046
Contract liabilities	14,328	20,276	10,374
Total current liabilities	**249,246**	**201,390**	**354,593**
Net Current Assets	**524,405**	**559,564**	**601,082**
Total Assets less Current Liabilities	**745,202**	**762,606**	**898,894**
Non-current Liabilities			
Other payables	10,000	–	–
Lease liabilities	710	2,658	983
Deferred income	9,430	22,092	22,026
Redemption liabilities	1,476,554	1,661,491	2,033,775
Total non-current liabilities	**1,496,694**	**1,686,241**	**2,056,784**
Net Liabilities	**(751,492)**	**(923,635)**	**(1,157,890)**
Capital and Reserves			
Paid-in capital/share capital	8,948	22,990	23,869
Reserves	(760,440)	(946,625)	(1,181,759)
Total deficits	**(751,492)**	**(923,635)**	**(1,157,890)**

Property, Plant and Equipment

Our property, plant and equipment consist primarily of (1) buildings, (2) machinery and equipment, (3) vehicles, (4) leasehold improvements, and (5) construction in progress. The following table sets forth the carrying amount of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Buildings	101,758	98,977	121,169
Machinery and equipment	25,385	23,328	24,042
Vehicles	510	1,361	1,233
Leasehold improvements	2,150	742	952
Construction in progress	673	19,393	171
Total	**130,476**	**143,801**	**147,567**

Our property, plant and equipment increased from RMB130.5 million as of December 31, 2023 to RMB143.8 million as of December 31, 2024, primarily due to an addition to construction in progress of RMB18.7 million in relation to the construction of our production facilities. Our property, plant and equipment increased from RMB143.8 million as of December 31, 2024 to RMB147.6 million as of December 31, 2025, as certain construction in progress was transferred into buildings in 2025.

Right-of-use Assets

Our right-of-use assets consist primarily of leased properties and leasehold lands. Our right-of-use assets increased from RMB23.0 million as of December 31, 2023 to RMB23.9 million as of December 31, 2024, as a result of the combined effects of addition and amortization of leased properties. Our right-of-use assets decreased to RMB21.6 million as of December 31, 2025, primarily as a result of the combined effects of addition and amortization of leased properties.

Intangible Assets

Our intangible assets consist primarily of software purchased from third parties. Our intangible assets decreased from RMB1.7 million as of December 31, 2023 to RMB1.0 million as of December 31, 2024, primarily due to amortization. Our intangible assets then increased to RMB6.1 million as of December 31, 2025, primarily due to the additional software purchased from third parties.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables primarily consist of (1) prepayments to suppliers and service providers, representing primarily our prepayments to suppliers for inventories, (2) value added tax recoverable, representing primarily deductible value added input tax, (3) rental and other deposits, representing primarily guarantee deposits for operating leases, (4) prepayments for intangible assets and (5) loans to directors. The following table sets forth the breakdown of our prepayment, deposits and other receivables by nature as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Prepayments to suppliers and service providers	11,168	11,035	14,713
Prepayments for intangible assets	–	1,361	464
Value added tax recoverable	3,891	3,333	6,773
Rental and other deposits	3,204	4,086	3,248
Loans to directors	1,503	–	–
Deferred issue costs	–	–	1,831
Others	95	318	10
Total	**19,861**	**20,133**	**27,039**
Analyzed as:			
Non-current	2,225	3,698	1,028
Current	17,636	16,435	26,011
Total	**19,861**	**20,133**	**27,039**

Prepayments, deposits and other receivables increased from RMB19.9 million as of December 31, 2023 to RMB20.1 million as of December 31, 2024, primarily due to the prepayment for certain software purchased from third parties in 2024. Prepayments, deposits and other receivables increased to RMB27.0 million as of December 31, 2025, primarily due to (1) the increase in prepayments to suppliers and service providers driven by the increase in our prepayments to suppliers for inventories in connection with robotic products in preparation for higher market demand, and (2) the increase in value added tax recoverable, in line with our business growth. See "—Key Factors Affecting Our Results of Operations—Seasonality."

As of April 30, 2026, RMB13.4 million or approximately 49.4% of our prepayments, deposits and other receivables as of December 31, 2025 had been settled.

Inventories

Our inventories consist primarily of (1) raw materials and consumables, (2) working in progress, and (3) finished goods. The following table sets forth the details of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Raw materials and consumables	57,557	47,500	111,520
Working in progress	19,227	13,984	38,453
Finished goods	22,563	25,015	45,190
Total	**99,347**	**86,499**	**195,163**

Our inventories decreased from RMB99.3 million as of December 31, 2023 to RMB86.5 million as of December 31, 2024, primarily due to decreases in raw materials and consumables and working in progress, driven by our enhanced inventory management, which accelerated the turnover of inventories. Our inventories increased to RMB195.2 million as of December 31, 2025, primarily due to (1) the increase in our raw materials and consumables, mainly driven by the expanded variety and scale of raw material procurement driven by business growth, product diversification, as well as advance procurement of raw materials to meet production demands, and (2) the increase in our working in progress and finished goods, as we stocked up relevant inventories in light of the increase in demand of our products and projected sales.

The following table sets forth our inventory turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days[(1)]	161.0	133.5	126.1

(1) The inventory turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of inventories in that period by cost of revenue for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year and 182 days for a six-month period).

Our inventory turnover days decreased from 161.0 days in 2023 to 133.5 days in 2024, primarily due to the rapid growth in the sales volume of our robotic products from 3,761 units in 2023 to 6,178 units in 2024, mainly driven by increasing market demand and the expansion of our sales scale, which enabled us to sell our products more quickly. Inventory turnover days further increased to 126.1 days in 2025, primarily due to (1) the further expansion of our sales scale as evidenced by the increase in our robot sales volume from 6,178 units in 2024 to 11,156 units in 2025, driven by the continued increase in market demand for our products, and (2) enhanced inventory management, as we optimized our production planning based on sales orders, which enabled us to more efficiently convert our inventories into sales and shorten the inventory holding period.

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As at December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	88,097	67,049	195,617
One to two years	26,772	20,850	9,980
Two to three years	12,386	22,977	12,432
Over three years	21,431	27,553	33,453
	148,686	138,429	251,482
Less: Write-down of inventories	(49,339)	(51,930)	(56,319)
Total	**99,347**	**86,499**	**195,163**

We have a strict inventory control policy to monitor our inventory levels in order to minimize obsolete inventory. Through close coordination with our customers and our third-party contract manufacturers, we are able to carry less raw materials and in-process inventories and lower our inventory risk. In determining inventory write-down provisions, we apply a systematic approach in accordance with IAS 2. We reviewed the condition of the inventories and performed net realizable value ("NRV") tests at the end of each Track Record Period. Our NRV assessment considers (1) identified slow-moving or obsolete inventories and performed impaired test on item-by-item basis, (2) the most reliable evidence available at the time the estimates are made, and (3) post-period price fluctuations that confirm conditions existing at period-end. We perform NRV tests on item-by-item basis or product-type basis and provisions are made for the excess of cost over the NRV. We believe our inventory management measures are effective given the general decrease in inventory turnover days during the Track Record Period.

In 2023, 2024 and 2025, we recorded write-down of inventories of RMB14.5 million, RMB8.2 million and RMB6.3 million, respectively. The significant inventory write-downs in 2023 were primarily attributable to (1) product iterations implemented to better align with evolving market demands, resulting in relatively higher inventory write-downs recorded; and (2) during the market penetration phase, we prioritized competitive pricing while overall production scale economies had not yet fully materialized, resulting in lower NRV and consequently higher inventory impairment charges. As we have since enhanced our inventory management practices and begun to realize improved economies of scale in unit production costs, evidenced by a notable increase in gross margin, inventory write-downs have subsequently decreased.

As of December 31, 2023, 2024 and 2025, the write-down provision of inventories was RMB49.3 million, RMB51.9 million and RMB56.3 million, respectively, representing 33.2%, 37.5% and 22.4% of cost of inventories as of the same dates, respectively. Having considered (1) the net realizable value of our inventories, (2) market demand and ongoing sales noted for our inventories, (3) the steady improvement in inventory turnover during the Track Record Period, and (4) our notable increase in gross profit margin during the Track Record Period, we believe that sufficient provision has been made at the end of each of the reporting periods.

As of April 30, 2026, RMB80.6 million or approximately 41.3% of our inventories as of December 31, 2025 had been subsequently consumed or sold.

Contract Costs

Our contract costs consist primarily of material costs and other related expenditures incurred prior to the recognition of revenue under our contracts for the provision of robotic solutions. Our contract costs increased from RMB22.6 million as of December 31, 2023 to RMB51.5 million as of December 31, 2024, in line with our business growth. Our contract costs then decreased to RMB16.6 million as of December 31, 2025, primarily due to the transfer to cost of revenue upon the completion of the relevant contracts and revenue recognition.

As of April 30, 2026, RMB0.03 million or approximately 0.2% of our contract costs as of December 31, 2025 had been recognized as cost of sales.

Trade Receivables/Notes Receivables Measured at FVTOCI

The following table sets forth the details of our trade receivables/notes receivables measured at FVTOCI as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade receivables	127,575	237,105	301,858
Less: allowance for credit losses	(11,024)	(30,751)	(35,035)
	116,551	206,354	266,823
Notes receivables measured at FVTOCI	10,236	24,149	59,203
Total	**126,787**	**230,503**	**326,026**

Trade receivables/notes receivables measured at FVTOCI increased from RMB126.8 million as of December 31, 2023 to RMB230.5 million as of December 31, 2024, which was generally in line with our business growth over the same periods. Our trade receivables/notes receivables measured at FVTOCI increased to RMB326.0 million as of December 31, 2025, in line with our sales growth.

Durning the Track Record Period, we believe that we have implemented effective credit management systems and policies. We may grant credit period of up to 180 days to our customers, subject to the creditworthiness of the relevant customers and the strategic value they bring to our business growth. We seek to maintain strict control over the outstanding trade receivables, and overdue balances are closely and regularly reviewed by our senior management. We conduct periodic impairment assessments of trade receivables, hold regular meetings to review the status of receivables, proactively communicate with relevant customers to remind them of upcoming or overdue payments, and closely monitor the aging and collection status of receivables to ensure timely follow-up actions are taken to recover overdue amounts.

We do not anticipate any material recoverability issues in respect of our trade receivables, primarily for the following reasons:

(1) We continuously and prudently assess the credit quality of our customers, taking into account their business background, financial condition, historical transaction experience, and other relevant factors, and taking appropriate proactive follow-up actions to ensure timely payment;

(2) Throughout the Track Record Period, we have not experienced any material losses in respect of trade receivables, as the majority of such receivables arise from customers with strong credit profiles, and there has been no history of material default on payment obligations by these customers;

(3) As of December 31, 2025, 84.4% of our trade receivables were aged within one year;

(4) For key customers with receivables aged over one year, specific repayment plans have been established, and repayments are progressing in accordance with the agreed schedules; and

(5) As of April 30, 2026, RMB122.4 million or approximately 45.9% of our trade receivables as of December 31, 2025 had been settled.

We have conducted a comprehensive assessment of the recoverability of our trade receivables, including the review of customer profiles, evaluation of the likelihood of collection, and analysis of subsequent settlement activities. Specifically, for trade receivables identified as credit impaired, we have made individual assessment with full provisions provided. As of December 31, 2023, 2024 and 2025, the

aggregate amount of individually assessed provisions for trade receivables was RMB1.7 million, RMB2.4 million, and RMB5.3 million, respectively. For all other trade receivables not subject to individual assessment, there are no ongoing or potential disputes with the respective customers. Loss allowances for these receivables are measured at an amount equal to the lifetime expected credit losses ("ECLs") in accordance with HKFRS 9.

We perform an impairment analysis at the end of each reporting period using a provision matrix to measure ECLs for trade receivables and to assess our credit risk exposure. Under the simplified approach permitted by HKFRS 9, ECLs are determined using a provision matrix analysis based on aging of debtors, applied to groupings of customer segments with similar loss patterns. The provision matrix is initially derived from our historical observed default rates and is subsequently calibrated to reflect forward-looking information, including current and forecasted macroeconomic conditions. At each reporting date, we update the historical default rates and reassess changes in forward-looking estimates. As of December 31, 2023, 2024 and 2025, the loss allowances for impairment of trade receivables recorded based on the provision matrix amounted to RMB9.3 million, RMB28.4 million, and RMB29.7 million, respectively.

Based on the foregoing, our management believes that there is no material risk of non-recoverability in respect of the trade receivables. Adequate and appropriate loss allowances have been made, taking into account our comprehensive credit risk management framework, historical experience with customers, and their financial positions. We have fully provided for expected credit losses in accordance with applicable accounting standards to reflect the uncertainties associated with outstanding balances.

The following table sets forth our trade receivables turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade receivables turnover days[(1)]	130.6	181.2	165.5

(1) The trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade receivables in that period by revenue for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year and 182 days for a six-month period).

Our trade receivables turnover days increased from 130.6 days in 2023 to 181.2 days in 2024, primarily due to the expansion of our customer base and the extension of our credit terms from generally up to 90 days to up to 180 days for customers in good standing to attract and retain customers as we penetrate new markets and establish relatively long-term business relationships. Our trade receivables turnover days decreased from 181.2 days in 2024 to 165.5 days in 2025, primarily due to our enhanced collection efforts. The following table sets forth an aging analysis of our trade receivables (net of loss allowance) based on dates of revenue recognition for sales of goods or providing of services as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Within one year	101,866	167,352	225,167
One to two years	12,123	35,593	33,852
Two to three years	2,562	3,409	7,804
Total	**116,551**	**206,354**	**266,823**

As of April 30, 2026, RMB122.4 million or approximately 45.9% of our trade receivables as of December 31, 2025 had been settled.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily consist of our structured deposits and wealth management products. Our financial assets increased from RMB50.1 million as of December 31, 2023 to RMB293.6 million as of as of December 31, 2024, primarily due to our purchase of wealth management products. Our financial assets at FVTPL decreased from RMB293.6 million as of December 31, 2024 to RMB232.5 million as of December 31, 2025, primarily due to our withdrawal of certain wealth management products in 2025.

Our investment policies

We have established and implemented a treasury management policy. Under this policy, we may utilize a portion of temporarily idle funds for treasury management purposes, provided that such usage does not affect normal business operations or compromise fund security. Based on annual capital requirements while maintaining sufficient liquidity, our finance department proposes treasury management quotas for temporarily idle funds. To mitigate risks, investments are restricted to high-security, liquid products (including but not limited to structured deposits, term deposits, and certificates of deposit), and shall not be used to invest in equity securities. Within the approved quota and timeframe, our finance department executes treasury management activities in accordance with corporate governance procedures, including (1) selecting qualified product issuers, (2) determining investment amounts, (3) selecting investment products, and (4) executing relevant legal documentation.

Our investment in such wealth management products and structured deposits after the [**REDACTED**] will be subject to compliance with Chapter 14 of the Listing Rules.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of cash at bank. As of December 31, 2023, 2024 and 2025, substantially all of our cash and cash equivalents were denominated in RMB. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB451.4 million, RMB21.8 million and RMB14.8 million, respectively. Our cash and cash equivalents decreased from RMB451.4 million as of December 31, 2023 to RMB21.8 million as of December 31, 2024, primarily due to the utilization of cash to fulfill the working capital requirements of our daily operations, and the capital expenditures on the purchase of property, plant and equipment in line with our business growth, and the purchase of wealth management products. Our cash and cash equivalents further decreased to RMB14.8 million as of December 31, 2025, primarily due to an decrease in cash at bank as a result of an increase in investment in financial assets at FVTPL and term deposits, in line with our cash management policies.

Term Deposits

As of December 31, 2023, 2024 and 2025, we had term deposits of RMB63.4 million, RMB85.7 million and RMB256.1 million, respectively. The interest rate of these bank deposits ranged from 3.10% to 3.51%, 2.60% to 3.51%, and 2.15% to 3.51% per annum as of the same dates, respectively.

Trade Payables

Our trade payables primarily consist of amounts payable to suppliers in the ordinary course of business. Our trade payables increased from RMB99.7 million as of December 31, 2023 to RMB115.2 million as of December 31, 2024 and RMB251.8 million as of December 31, 2025, primarily due to the increasing procurement in line with our business growth.

Our suppliers may grant us credit period of up to 90 days. The following table sets forth our trade payables turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days[(1)]	124.0	154.4	164.3

(1) The trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade payables in that period by cost of revenue for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year and 182 days for a six-month period).

Our trade payables turnover days increased from 124.0 days in 2023 to 154.4 days in 2024, primarily because the significant expansion of our production volume from 3,946 units in 2023 to 6,379 units in 2024 led to greater economies of scale, which in turn enhanced bargaining power with suppliers, enabling us to obtain more favorable payment terms. Our trade payables turnover days further increased to 164.3 days in 2025, primarily because the continued expansion of our production scale reaching 13,025 units in 2025 enabled us to further negotiate with suppliers for more favorable payment terms, aligning our payment cycle more closely with our customers' payment patterns.

The following table sets forth an aging analysis of our trade payables based on invoice dates as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	70,756	101,067	240,600
One to two years	22,261	7,285	6,819
Two to three years	5,974	4,771	3,242
Over three years	695	2,115	1,130
Total	**99,686**	**115,238**	**251,791**

As of April 30, 2026, RMB180.3 million or approximately 71.6% of our trade payables as of December 31, 2025 had been settled.

Other Payables and Accruals

Our other payables and accruals primarily consist of (1) accrued salaries and welfare payables, (2) other tax payables, (3) warranty provision, (4) refundable deposits, (5) purchase of property, plant and equipment, (6) refundable liability to a non-controlling shareholder, and (7) accrued [**REDACTED**] expenses and issue costs. The following table sets forth the details of our other payables and accruals as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Accrued salaries and welfare payables	13,094	14,971	22,133
Other tax payables	3,240	4,109	4,169
Warranty provision	4,258	5,154	6,707
Refundable deposits	712	709	1,158
Purchase of property, plant and equipment	94,861	11,513	18,330
Refundable liability to a non-controlling shareholder	10,000	–	–
Accrued [**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Accrued issue costs	–	–	600
Others	1,647	3,577	1,103
Total	**127,812**	**40,033**	**56,609**

Our other payables and accruals decreased from RMB127.8 million as of December 31, 2023 to RMB40.0 million as of December 31, 2024, primarily due to the decrease in purchase of property, plant and equipment, as the payable was converted into equity in 2024. See "History, Development and Corporate [**REDACTED**] Investments—Special Rights of Our [**REDACTED**] Investors." Our other

payables and accruals increased to RMB56.6 million as of December 31, 2025, primarily due to (1) the increase in purchase of property, plant and equipment, as a result of our expanded operational needs, and (2) the increase in accrued salaries and welfare payables, mainly driven by an increase in employee headcount.

As of April 30, 2026, RMB32.7 million or approximately 57.7% of our other payables and accruals as of December 31, 2025 had been settled.

Contract Liabilities

Our contract liabilities primarily represent the advance consideration received from our customers before we complete the performance obligation in the contract. Our contract liabilities increased from RMB14.3 million as of December 31, 2023 to RMB20.3 million as of December 31, 2024, in line with our business growth. Our contract liabilities decreased to RMB10.4 million as of December 31, 2025, primarily due to revenue recognition from more projects in 2025.

As of April 30, 2026, RMB3.6 million or approximately 34.3% of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

Deferred Income

Deferred income during the Track Record Period represents primarily government grants in relation to certain government sponsored research and development projects for front-end technologies. Deferred income is recognized as income upon the completion of the projects and accepted by the government. We recorded deferred income of RMB9.4 million, RMB22.1 million and RMB22.0 million as of December 31, 2023, 2024 and 2025, respectively. Such fluctuations were primarily due to the joint impact of new grants received and the amount released to profit or loss during the relevant periods.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund our procurement of raw materials, R&D activities and other operational needs. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with funds from equity financing, cash generated from our operations and bank borrowings. After the [**REDACTED**], we believe that our liquidity requirements will continue to be satisfied with a combination of these sources and net [**REDACTED**] from the [**REDACTED**]. As of December 31, 2025, we had cash and cash equivalents of RMB14.8 million, current portion of term deposits of RMB134.6 million, and bank-issued short-term wealth management products and bank deposits, which were classified as financial assets at FVTPL of RMB232.5 million, and which primarily consist of instruments with short tenors and high liquidity. Over 70% of such balances are either redeemable on demand or will mature within one month, with the remainder maturing within four months as of December 31, 2025. As of the Latest Practicable Date, our bank facilities available for use were RMB60.0 million, and we had utilized RMB50.7 million, with RMB9.3 million committed but unutilized. Our net operating cash outflow increased from RMB95.2 million in 2023 to RMB123.5 million in 2024 primarily due to (1) an increase in trade receivables/notes receivables measured at FVTOCI of RMB119.2 million, and (2) an increase in contract costs of RMB28.9 million, both in line with our business growth. During the Track Record Period, we have implemented effective credit management policies and enhanced control over the outstanding trade receivables and therefore, our net operating cash outflow decreased from RMB123.5 million in 2024 to RMB77.5 million in 2025, and our trade receivables turnover days decreased from 181.2 days to 165.5 days in 2024 and 2025, respectively. We do not anticipate any changes to the availability of financing to fund our operations in the future. Taking into account the financial resources available to us, including our cash and cash equivalents, future cash flow from operating activities, financial assets at FVTPL representing structured deposits and wealth management products, term deposits, available bank facilities and the estimated net [**REDACTED**] from the [**REDACTED**], our Directors are of the view, which is concurred by the Joint Sponsors, that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million after deducting the [**REDACTED**] fees and expenses payable by us in the [**REDACTED**], assuming no [**REDACTED**] is exercised and at the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]. Taking into account our business operations needs, expansion plans, write-down of inventories and recoverability

of receivables, we estimate that the existing financial resources available to us will be able to sustain our operations and maintain our financial viability for approximately two years, if we take into account all of the estimated net proceeds from the [**REDACTED**], approximately four years.

Cash Flows

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

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Operating loss before changes in working capital	(63,136)	(35,725)	(32,800)
Working capital changes	(32,097)	(87,766)	(44,720)
Cash used in operations	(95,233)	(123,491)	(77,520)
Income tax paid	–	–	–
Net cash used in operating activities	**(95,233)**	**(123,491)**	**(77,520)**
Net cash from/(used in) investing activities	**22,548**	**(278,738)**	**(121,361)**
Net cash from/(used in) financing activities	**507,545**	**(27,404)**	**191,803**
Cash and cash equivalent at beginning of the year	**16,266**	**451,410**	**21,811**
Cash and cash equivalent at end of the year	**451,410**	**21,811**	**14,801**

Net cash used in operating activities

Going forward, we plan to maintain sustainability and achieve profitability by driving sustainable revenue growth and business scale and effectively managing our costs and expenses. We plan to improve our net operating cash outflow position through four initiatives, including (1) optimizing payment terms in sales contracts; (2) further strengthening our tiered aging alert mechanism for trade receivables, coupled with rigorous monitoring of overdue payments; and (3) extending supplier payment terms through the use of instruments such as acceptances and letters of credit to ease cash flow pressure. This coordinated approach of accelerating receivables while optimizing payables is designed to shorten our net operating cycle, enhance liquidity security, and reinforce financial stability. See "Business—Path to Profitability."

Net cash used in operating activities was RMB77.5 million in 2025, primarily due to our loss before tax of RMB179.3 million, as adjusted by (1) certain non-cash and non-operating items, primarily including finance costs of RMB122.5 million, and (2) changes in working capital that negatively affected our cash flows, primarily including (i) an increase in inventories of RMB114.9 million, and (ii) an increase in trade receivables/notes receivables measured at FVTOCI of RMB67.5 million, in line with our business growth; partially offset by changes in working capital that positively affected our cash flows, primarily including an increase in trade payables of RMB113.9 million, primarily due to the increasing procurement in line with our business growth.

Net cash used in operating activities was RMB123.5 million in 2024, primarily due to our loss before tax of RMB191.8 million, as adjusted by (1) certain non-cash and non-operating items, primarily including (i) finance costs of RMB100.2 million, (ii) impairment losses under ECL model, net of reversal, of RMB19.9 million, and (iii) depreciation of property, plant and equipment of RMB10.7 million, and (2) changes in working capital that negatively affected our cash flows, primarily including (i) an increase in trade receivables/notes receivables measured at FVTOCI of RMB119.2 million, in line with our business growth, and (ii) an increase in contract costs of RMB28.9 million, in line with our business growth; partially offset by changes in working capital that positively affected our cash flows, primarily including (i) an increase in trade payables of RMB35.0 million, primarily due to the increasing procurement in line with our business growth, and (ii) an increase in deferred income of RMB12.7 million, primarily due to the joint impact of new government grants received and the amount released to profit or loss during the relevant periods.

Net cash used in operating activities was RMB95.2 million in 2023, primarily due to our loss before tax of RMB157.5 million, as adjusted by (1) certain non-cash and non-operating items, primarily including (i) finance costs of RMB69.3 million, (ii) write-down loss on inventories of RMB14.5 million, and (iii) depreciation of property, plant and equipment of RMB12.5 million, partially offset by gain on modification of redemption liabilities of RMB13.9 million, and (2) changes in working capital that negatively affected our cash flows, primarily including an increase in trade receivables/notes receivables measured at FVTOCI of RMB45.4 million, in line with our business growth; partially offset by changes in working capital that positively affected our cash flows, primarily including an increase in trade payables of RMB38.1 million, primarily due to the increasing procurement in line with our business growth.

Net cash from/(used in) investing activities

Net cash flows used in investing activities was RMB121.4 million in 2025, primarily due to (1) purchase of term deposit of RMB226.0 million, and (2) purchase of financial assets at FVTPL of RMB390.0 million, in connection with our purchase of wealth management products, partially offset by proceeds from maturity or disposal of financial assets at FVTPL of RMB454.4 million.

Net cash flows used in investing activities was RMB278.7 million in 2024, primarily due to purchase of financial assets at FVTPL of RMB930.0 million in connection with our purchase of wealth management products, partially offset by withdrawal of financial assets at FVTPL of RMB695.8 million in connection with the maturity of wealth management products.

Net cash flows from investing activities was RMB22.5 million in 2023, primarily due to (1) withdrawal of financial assets at FVTPL of RMB120.4 million in connection with the maturity of wealth management products, and (2) proceeds from maturity of term deposits of RMB61.7 million; partially offset by (i) purchase of financial assets at FVTPL of RMB120.0 million in connection with our purchase of wealth management products, and (ii) purchase of term deposits of RMB30.0 million.

Net cash from/(used in) financing activities

Net cash flows from financing activities was RMB191.8 million in 2025, primarily due to proceeds from [**REDACTED**] Investors of RMB195.0 million.

Net cash flows used in financing activities was RMB27.4 million in 2024, primarily due to (1) repayment of borrowings of RMB15.0 million, and (2) repayments of refundable liability to a non-controlling shareholder of RMB10.0 million.

Net cash flows from financing activities was RMB507.5 million in 2023, primarily due to (1) proceeds from Strategic+ Series investors of RMB500.0 million, and (2) proceeds from borrowings of RMB15.0 million, partially offset by repayment of lease liabilities of RMB6.3 million.

Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Current assets				
Inventories	99,347	86,499	195,163	242,024
Trade receivables	116,551	206,354	266,823	296,088
Notes receivables measured at FVTOCI	10,236	24,149	59,203	68,463
Contract assets	5,761	3,826	8,067	5,479
Contract costs	22,601	51,451	16,569	34,346

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Prepayments, deposits and other receivables	17,636	16,435	26,011	26,092
Financial assets at FVTPL	50,109	293,571	232,518	218,362
Term deposits	–	55,080	134,602	141,567
Restricted bank deposits	–	1,778	1,918	3,758
Cash and cash equivalents	451,410	21,811	14,801	16,719
Total current assets	**773,651**	**760,954**	**955,675**	**1,052,898**
Current Liabilities				
Trade payables	99,686	115,238	251,791	276,321
Other payables and accruals	117,812	40,033	56,609	39,553
Lease liabilities	2,468	1,860	1,773	2,881
Borrowings	14,952	23,983	34,046	47,960
Contract liabilities	14,328	20,276	10,374	27,418
Total current liabilities	**249,246**	**201,390**	**354,593**	**394,133**
Net Current Assets	**524,405**	**559,564**	**601,082**	**658,765**

Our net current assets increased from RMB524.4 million as of December 31, 2023 to RMB559.6 million as of December 31, 2024, primarily due to (1) the increase in financial assets at FVTPL, (2) the increase in trade receivables, (3) the decrease in other payables and accruals, and (4) the increase in term deposits, partially offset by (i) the decrease in cash and cash equivalents, and (ii) the increase in trade payables. Our net current assets further increased to RMB601.1 million as of December 31, 2025 and RMB658.8 million as of April 30, 2026, primarily due to (1) the increase in trade receivables, and (2) the increase in term deposits, partially offset by (i) the decrease in financial assets at FVTPL, and (ii) the increase in trade payables.

INDEBTEDNESS

Our indebtedness during the Track Record Period primarily consist of lease liabilities, borrowings and redemption liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Current				
Lease liabilities	2,468	1,860	1,773	2,881
Borrowings	14,952	23,983	34,046	47,960
Total current	**17,420**	**25,843**	**35,819**	**50,841**
Non-current				
Lease liabilities	710	2,658	983	3,172
Redemption liabilities	1,476,554	1,661,491	2,033,775	2,078,762
Total non-current	**1,477,264**	**1,664,149**	**2,034,758**	**2,081,934**
Total indebtedness	**1,494,684**	**1,689,992**	**2,070,577**	**2,132,775**

Lease Liabilities

We had lease liabilities of RMB3.2 million, RMB4.5 million, RMB2.8 million and RMB6.1 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. Our lease liabilities were primarily related to our office leases. Certain of our lease liabilities were secured by the rental deposits and all of them were unguaranteed.

The following table sets forth the breakdown of our lease liabilities as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Current portion	2,468	1,860	1,773	2,881
Non-current portion	710	2,658	983	3,172
Total	**3,178**	**4,518**	**2,756**	**6,053**

The following table sets forth the maturity of our lease liabilities as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	2,468	1,860	1,773
One to two years	248	1,650	983
Two to three years	249	1,008	–
Three to four years	213	–	–
Total	**3,178**	**4,518**	**2,756**

Borrowings

We had borrowings of RMB15.0 million, RMB24.0 million, RMB34.0 million and RMB48.0 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. The effective interest rate of bank borrowings ranged between 2.37% to 2.95% per annum.

The following table sets forth details of borrowings as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026,
	(RMB in thousands)			*(Unaudited)*
Bank borrowings – unsecured and guaranteed	14,952	–	–	–
Bank loans under supplier finance arrangements — unsecured and unguaranteed	–	–	34,046	47,960
Bank loans under supplier finance arrangements – unsecured and guaranteed	–	23,983	–	–
Total	**14,952**	**23,983**	**34,046**	**47,960**

Our bank borrowings and loans contain standard terms, conditions and covenants that are customary for commercial bank borrowings and loans in China. Our Directors confirmed that we did not experience any difficulty in obtaining bank borrowings and loans or other borrowings, default in payment of bank

borrowings and loans or other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, our bank facilities available for use were RMB60.0 million, and we had utilized RMB50.7 million, with RMB9.3 million committed but unutilized.

Redemption Liabilities

Our redemption liabilities relate to financial instruments with preferred rights held by [**REDACTED**] Investors. We had redemption liabilities of RMB1,476.6 million, RMB1,661.5 million, RMB2,033.8 million and RMB2,078.8 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. Our redemption liabilities during the Track Record Period was attributable to the redemption rights of the [**REDACTED**] Investors included in our financing arrangements, which were recorded as financial liabilities. Our redemption liabilities increased during the Track Record Period, in line with an increase in the investments from the [**REDACTED**] Investors and accrued interest. The redemption liabilities will be derecognized upon the termination of the redemption rights and there will be no more interest on redemption liabilities regarding such [**REDACTED**] Investments upon the [**REDACTED**]. In addition, the carrying amount of the redemption liabilities will be recognized to equity, and our net liabilities position is expected to turn into net assets position upon such recognization. See "History, Development and Corporate [**REDACTED**] Investments—Special Rights of Our [**REDACTED**] Investors" and Note 34 to the Accountants' Report in Appendix I to this document for details. All of the redemption liabilities are unsecured and unguaranteed.

Indebtedness Statement

Save as disclosed above, as of December 31, 2023, 2024 and 2025 and April 30, 2026, we had no bank borrowings and loans or other borrowings, or any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases, guarantees or other material contingent liabilities.

Since April 30, 2026 and up to the Latest Practicable Date, there had not been any material change in our indebtedness.

CONTINGENT LIABILITIES

As of the December 31, 2023, 2024 and 2025, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any member of our Group that is likely to have a material and adverse effect on our business, financial condition and result of operations.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

Our capital expenditures during the Track Record Period primarily consist of expenditures on payments for right-of-use assets, purchase of property, plant and equipment, and purchase of intangible asset. The following table sets forth our capital expenditure for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Payments for right-of-use assets	37	–	–
Payments for the purchase of property, plant and equipment	9,609	22,654	14,746
Payments for the purchase of intangible assets	208	1,960	5,330
Total	**9,854**	**24,614**	**20,076**

We expect to incur additional capital expenditure in 2026, primarily for the purchase of property, plant and equipment and intangible assets. We plan to fund such planned capital expenditures through our existing cash and cash generated from our operating activities. After the [**REDACTED**], we expect to finance our capital expenditure through a combination of existing cash, cash flows generated from our operating activities, bank borrowings and net [**REDACTED**] from the [**REDACTED**]. See "Future Plans and Use of [**REDACTED**]" for the portion of capital expenditures to be funded by the [**REDACTED**] from the [**REDACTED**]. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions, regulatory environment and other factors we believe to be appropriate.

Capital Commitments

The following table sets forth our capital commitments as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Contracted, but not provided for:			
– Acquisition of property, plant and equipment	234	4,259	–
Total	**234**	**4,259**	**–**

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transaction.

[REDACTED] EXPENSES

We expect to incur a total of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) of [**REDACTED**] expenses in connection with the [**REDACTED**], representing approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] at the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], assuming that the [**REDACTED**] is not exercised, including (1) [**REDACTED**], SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all [**REDACTED**] of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), and (2) non-[**REDACTED**] related expenses of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), and (ii) [**REDACTED**] and other fees and expenses of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million). Approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) is expected to be deducted from equity. The [**REDACTED**] expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and on terms comparable to the terms of transactions with other entities that are not related parties. Our related party transactions during the Track Record Period were non-trade in nature, which primarily included (1) certain loans to the management and then shareholders of the Company, which have been settled during 2024, and (2) trade sales to an associate of our Company. See Note 44 to the Accountants' Report in Appendix I to this document for details. Our Directors are of the view that our related party transactions during the Track Record Period were fair and reasonable, and would not distort our track record results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

	As of/for the year ended December 31,		
	2023	2024	2025
Profitability:			
Gross profit margin[(1)]	11.4%	21.9%	21.9%
Liquidity:			
Current ratio[(2)]	3.1	3.8	2.7
Quick ratio[(3)]	2.7	3.3	2.1

(1) The calculation of gross profit margin is based on gross profit for the period divided by revenue for the respective period and multiplied by 100.0%.

(2) The calculation of current ratio is based on current assets divided by current liabilities as of period end.

(3) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of period end.

Analysis of Key Financial Ratios

Gross profit margin

See "—Period to Period Comparison of Results of Operations" for a discussion of the factors affecting our gross profit margin during the Track Record Period.

Current ratio and quick ratio

Our current ratio and quick ratio increased from 3.1 and 2.7 as of December 31, 2023 to 3.8 and 3.3 as of December 31, 2024, respectively, primarily due to (1) the increase in financial assets at FVTPL, primarily due to our purchase of wealth management products, and (2) an increase in trade receivables/notes receivables measured at FVTOCI in line with our business growth. Our current ratio and quick ratio then decreased to 2.7 and 2.1 as of December 31, 2025, respectively, primarily due to the increase in trade payables, resulting from the increasing procurement in line with our business growth.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISKS

Our principal financial instruments comprise financial assets at FVTPL, trade receivables, note receivables measured at FVTOCI deposits and other receivables, contract assets, cash and cash equivalents, term deposits, and restricted bank deposits, the main purpose of which is to support for our operations. We have various other financial assets and liabilities such as trade payables, and other payables and accruals, which arise directly from our operations.

The risks of our financial instruments are mainly arising from foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk. Our directors review and agree on policies for managing each of these risks. For details on each of the risks, see Note 40 to the Accountants' Report in Appendix I to this document.

DIVIDENDS

We are a holding company incorporated under the laws of the PRC. We currently do not have any formal dividend policy or pre-determined dividend payout ratio. During the Track Record Period, we did not declare or pay any dividends. Any dividends we pay will be determined at general meetings of Shareholders and implemented by our Board, and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors. As advised by our PRC Legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company did not have distributable reserves.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors have confirmed 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 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there is no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this document.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See Appendix II to this document for details of our unaudited [**REDACTED**] adjusted consolidated net tangible assets.

FUTURE PLANS

See "Business—Our Growth Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that the net [**REDACTED**] of the [**REDACTED**], after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**], will be approximately HK$[**REDACTED**] million, at the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], without the exercise of the [**REDACTED**].

We currently intend to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts as set out below:

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for enhancing our R&D capabilities and enriching our offerings in robots and related solutions from 2026 to 2029. More specifically:

  (1) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, to enhance our key technologies and products. Specifically:

  – approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used to continuously advance the research, development and iteration of our technology platform, including (1) building a high-performance mechanical transmission technology system to enhance the rigidity and precision of heavy-payload robots; (2) upgrading the highly integrated "vision-drive-control integration" hardware and software platform, specifically through the development of the xVision vision-control system and the xCore 4.0 architecture, to reduce costs while improving reliability and better compatibility with multi-modal sensory data such as force sensing and vision; and (3) expanding the ROKAE+ network and establishing an embodied intelligence model training platform, which will further enable us to enhance the xCore control system software architecture and motion control algorithms, support multi-robot collaborative control and full-scene applications in the automotive industry and strengthen competitiveness in unstructured scenarios like force-controlled assembly and intelligent welding. These upgraded platforms will provide the technical foundation for our "platform + process package" solutions, enabling more flexible and adaptive customer offerings.

  The following table sets forth a breakdown of our implementation plan from 2026 to 2029.

	For the Year Ending December 31,			
	2026	**2027**	**2028**	**2029**
	(HK$ in millions)			
Research, development and iteration of our technology platform	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

  – approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to refine our product portfolio by completing the embodied intelligent robotic product line and the heavy-payload industrial robots, while comprehensively upgrading the medium- and light-payload industrial robots. For instance, the product portfolio refinement includes development of the NB8 series, the NB300 series, the AR series humanoid arm and the Helios series wheeled dual-arm robot. The R&D team for our product portfolio is projected to comprise 80 personnel. We plan to recruit additional R&D personnel and retain key staff

through competitive compensation packages. Prospective R&D personnel will be expected to hold bachelor's degree or higher in automation science, electrical engineering, mechanical engineering, control science and engineering, computer science, or a related field, and possess relevant work experience.

The following table sets forth a breakdown of our implementation plan from 2026 to 2029.

	For the Year Ending December 31,			
	2026	2027	2028	2029
	(HK$ in millions)			
Refine our product portfolio	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The following table outlines our pipeline products, their core functions and application scenarios.

Pipeline product	Function	Application scenario
AR3 force-controlled humanoid arms	A seven-degree-of-freedom arm with joint torque control, featuring a humanoid appearance and compliant force control capability. It has a payload of three kg and a reach of 650 mm.	Designed to complement wheeled dual-arm robots, used in industrial production for assembly operations, material handling and other tasks, as well as in commercial scenarios such as unmanned supermarkets and domestic services.
AR10 force-controlled humanoid arms	A seven-degree-of-freedom arm with joint torque control, featuring a humanoid appearance and compliant force control capability. It has a payload of ten kg and a reach of 760 mm.	Designed to complement wheeled dual-arm robots, used in industrial production for assembly operations, material handling and other tasks, as well as in commercial scenarios such as unmanned supermarkets and domestic services.
HSA series force-controlled joint modules	Modular force-controlled joint.	For humanoid robots and wheeled dual-arm robots.
NB300 series industrial robots	The NB300 features a 300 kg payload and 2.7 m reach, plus a compact forearm and independently developed transmission structure.	Applications include spot welding, material handling and die-casting in automotive manufacturing, as well as material handling and assembly in lithium battery manufacturing.

Pipeline product	Function	Application scenario
xCore 4.1	The system comes with easy-to-use functions for spot welding, arc welding, adhesive dispensing, grinding and laser processing.	Automotive manufacturing, metal processing and lithium battery manufacturing.

(2) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used to establish a high-standard R&D and application demonstration center in Shanghai and/or Pinghu City, Zhejiang Province, and collaborate with key universities to build joint laboratories, ensuring our continuous sensitivity and investment in emerging technologies. The center is scheduled to begin construction in 2026 and become operational by late 2027. It will accommodate 100 R&D professionals focused on developing humanoid robots, wheeled dual-arm robots, and modular joints. The facility will also advance embodied intelligence robotics through integrated data collection, model training and demonstration applications across industrial, commercial, and household environments. We will procure key R&D equipment including a robot testing system (at approximately RMB20.0 million) featuring a Leica T-MAC laser tracker, a joint test bench (supporting flange diameters from 40 mm to 400 mm), a high-temperature aging chamber (5 m × 10 m × 3 m), a motor performance test bench for power above 3 kW, and a reducer performance test bench supporting full-series of harmonic reducers. This new facility will specialize in strategic innovation areas such as embodied intelligence robots, complementing the existing center's ongoing focus on industrial robots, flexible collaborative robots and related solutions.

The following table sets forth a breakdown of our implementation plan from 2026 to 2029.

	For the Year Ending December 31,			
	2026	2027	2028	2029
	(HK$ in millions)			
Establish a high-standard R&D and application demonstration center.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used to develop our overseas sales network to increase our market share and support the growth of our international business from 2026 to 2029. Specifically:

  (1) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used to build our local sales team and channels for overseas markets, including recruiting local sales personnel, enhancing our cooperation with oversea sales channels and enhancing our customer support network. According to the CIC Report, the global industrial robot market is projected to grow from RMB93.9 billion in 2025 to RMB160.8 billion by 2030 at a CAGR of 11.3%, while the collaborative robot market is expected to expand from RMB9.8 billion to RMB36.1 billion at a CAGR of 29.7%, underscoring strong overseas demand. See "Industry Overview—Overview of Industrial Robot Industry—Market Size of Industrial Robot Industry" and "Industry Overview—Overview of Collaborative Robot Industry—Market Size of Collaborative Robot Industry" for details. We plan to establish offices in Hong Kong, Germany, and Southeast Asia (including primarily Vietnam, Thailand, Malaysia, Singapore, and Indonesia). In particular, the feasibility of our expansion into Southeast Asia is substantiated by four factors: (1) the region's growing robotics market, driven by global

supply chain shifts; (2) our established presence in Vietnam, including a local distributor and production orders from a major welding enterprise; (3) successful market entry by other robotics companies in Thailand and Malaysia, which confirms commercial scalability, while more affordable pricing compared to established Japanese and European brands creates a clear opportunity; and (4) we have gradually begun signing distributor agreements in Malaysia, Singapore and Indonesia starting from 2026.

In addition, we plan to penetrate overseas markets by developing a network of agents to promote our mature domestic products and solutions, while creating localized products tailored to local needs to enhance our competitiveness. Our implementation roadmap begins with establishing over a dozen agents in Europe, followed by expanding our overseas sales team and developing more agents across Japan, South Korea, the Americas, and Southeast Asia in 2026. From 2026 to 2027, we will begin establishing localized entities and gradually transitioning to full local operations. We plan to retain and hire experienced sales and marketing staff to facilitate our business collaborations with overseas suppliers and customers. Our feasibility studies referenced the publicly disclosed "World Robotics 2023" and "World Robotics 2024" reports published by the International Federation of Robotics (IFR). Guided by this research, we will prioritize market investment in countries with the highest robot adoption rates, while covering markets in countries with lower adoption rates through an agent network. In 2026, we plan to recruit 20 sales and marketing personnel. These personnel are generally expected to hold an associate degree or above, preferably in automation science, mechanical electronics, computer science, marketing, or a related field, and one to three years or more of sales experience in the robotics or industrial automation industry.

The following table sets forth a breakdown of our implementation plan from 2026 to 2029.

	For the Year Ending December 31,			
	2026	**2027**	**2028**	**2029**
	(HK$ in millions)			
Build our local sales team and channels for overseas markets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

(2) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, to be used to enhance our brand awareness and marketing and promotion activities, including building up localized, diversified marketing channels and multi-dimensional digital marketing system, and participating in international exhibitions, to further strengthen our overseas presence.

The following table sets forth a breakdown of our implementation plan from 2026 to 2029.

	For the Year Ending December 31,			
	2026	**2027**	**2028**	**2029**
	(HK$ in millions)			
Enhance our brand awareness and marketing and promotion activities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for enhancing our production efficiency and capability to support the rapid growth of our business from 2026 to 2029. Specifically:

(1) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, to be used to enhance automation and intelligence in our robotic production process through the development of automated unit stations for assembly, handling, and other tasks. We intend to centralize our production at our facility in Zoucheng City, Shandong Province, featuring a 13-station desktop robot assembly line with automated material transfer and full data traceability, two workstations for medium-to-heavy-load assembly with automated flipping and greasing functions, along with six inspection stations for protection rating tests and accuracy compensation. The upgrade is expected to increase the production capacity of the facility in Shandong Province by approximately 7,000-10,000 units per year.

The following table sets forth a breakdown of our implementation plan from 2026 to 2029.

	For the Year Ending December 31,			
	2026	**2027**	**2028**	**2029**
	(HK$ in millions)			
Development of automated unit stations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

(2) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used to fund the expansion of our production capability. We plan to build our new intelligent manufacturing base in key market regions, such as the Yangtze River Delta, to increase our production capability and satisfy the increasing market demands. It is expected to occupy a total floor area of over 20,000 square meters upon its scheduled completion in 2027, with an estimated additional production capacity of 5,000 units. It will focus on key robotics application areas such as robotic intelligent welding product lines, composite robots, dual-arm collaborative workstations, and humanoid robots. The manufacturing base includes facilities such as robot assembly workshops, testing workshops, and R&D laboratories. We plan to use approximately RMB30.0 million to procure three automated joint production lines capable of producing the full HSA series of force-controlled joint modules for humanoid arms. The software and hardware to be acquired will expand system capacity to manage surging business data and enable automated coordination across procurement, production, sales, and finance, including scheduling, material allocation, and inventory management.

The following table sets forth a breakdown of our implementation plan from 2026 to 2029.

	For the Year Ending December 31,			
	2026	**2027**	**2028**	**2029**
	(HK$ in millions)			
Build our new intelligent manufacturing base	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for strategic investment from 2026 to 2029 to achieve long-term development goals. All such investments will be made as minority interests. We seek investment opportunities within the upstream and downstream sectors, primarily aimed at reducing costs and improving efficiency in upstream components while expanding downstream application scenarios. In particular, our priority segments are: (1) upstream core components that directly impact product cost and performance, such as reducers, dexterous hands and precision sensors; and (2) downstream application scenarios with high growth potential, including automotive and auto parts, as well as other industrial applications. Our targets are early-stage seed companies with technological potential and industrial collaboration prospects. More specifically, the

criteria we consider when it comes to such investment include the scale of business, growth potential, technological capabilities, existing distribution channels and relevant experiences in certain new industry sectors. The target should have an annual revenue of at least RMB5.0 million. Examples of potential targets include technology product companies, such as those capable of expanding our product line or companies with unique technological expertise in areas like large-scale AI models; upstream suppliers, like manufacturers of high-energy-density motors; and downstream application specialists, such as niche industrial robotics companies that excel in precision polishing. According to the CIC Report, there are dozens of potential targets which satisfy our criteria in China. We expect that the successful investment of desired targets can further enrich our product portfolio and increase our sales volume in new industries. As of the Latest Practicable Date, we had not identified any investment target or entered into any definitive investment agreement.

The following table sets forth a breakdown of our implementation plan from 2026 to 2029.

	For the Year Ending December 31,			
	2026	**2027**	**2028**	**2029**
		(HK$ in millions)		
Strategic investment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for working capital and other general corporate purposes from 2026 to 2029.

Any additional [**REDACTED**] received from the exercise of the [**REDACTED**] will be allocated on a pro rata basis. In the event that the [**REDACTED**] is exercised in full, we will receive net [**REDACTED**] of HK$[**REDACTED**] million (after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**] and assuming the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]).

To the extent that the net [**REDACTED**] are not immediately applied to the above purposes, we will only deposit the net [**REDACTED**] into interest-bearing account at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

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[REDACTED]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-60, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ROKAE (SHANDONG) ROBOTICS GROUP INC., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Rokae (Shandong) Robotics Group Inc. (珞石(山東)機器人集團股份有限公司) (the "Company") and its subsidiaries (together, the "Group") set out on pages [I-3] to [I-60], which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and 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 of the Group for each of the three years ended December 31, 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-3] to [I-60] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] 2026 (the "Document") in connection with the [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company (the "Directors") are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1.2 to the Historical Financial Information, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (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 set out in Note 1.2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at December 31, 2023, 2024 and 2025, and of the financial performance and cash flows of the Group for the Track Record Period in accordance with the basis of preparation set out in Note 1.2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-3] have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which states that no dividend was declared or paid by the Company and its subsidiaries in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[Date]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by HKICPA and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the year ended December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	5	267,025	325,257	521,747
Cost of revenue		(236,454)	(254,065)	(407,579)
Gross profit		**30,571**	**71,192**	**114,168**
Other income	6	15,070	16,503	20,849
Other gains and losses	7	14,198	9,060	2,907
Impairment losses under expected credit loss ("ECL") model, net of reversal	8	(975)	(19,943)	(4,847)
Selling and marketing expenses		(54,887)	(62,951)	(75,624)
Administrative expenses		(32,745)	(51,151)	(33,413)
Research and development expenses		(59,370)	(54,218)	(65,508)
Finance costs	9	(69,326)	(100,248)	(122,488)
[**REDACTED**] expenses	11	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Loss before tax		**(157,464)**	**(191,756)**	**(179,312)**
Income tax expense	10	–	–	–
Loss for the year attributable to owners of the Company	11	**(157,464)**	**(191,756)**	**(179,312)**
Other comprehensive income (expense)				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations		26	(91)	57
Total comprehensive expense for the year attributable to owners of the Company		**(157,438)**	**(191,847)**	**(179,255)**
Loss per share				
Basic and diluted (RMB)	15	(1.87)	(2.27)	(2.20)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current Assets				
Property, plant and equipment	*16*	130,476	143,801	147,567
Right-of-use assets	*17*	22,994	23,934	21,581
Intangible assets	*18*	1,665	982	6,113
Term deposits	*27*	63,437	30,627	121,523
Prepayments, deposits and other receivables	*24*	2,225	3,698	1,028
		220,797	**203,042**	**297,812**
Current Assets				
Inventories	*20*	99,347	86,499	195,163
Trade receivables	*21*	116,551	206,354	266,823
Notes receivables measured at fair value through other comprehensive income ("FVTOCI")	*21*	10,236	24,149	59,203
Contract assets	*22*	5,761	3,826	8,067
Contract costs	*23*	22,601	51,451	16,569
Prepayments, deposits and other receivables	*24*	17,636	16,435	26,011
Financial assets at fair value through profit or loss ("FVTPL")	*25*	50,109	293,571	232,518
Term deposits	*27*	–	55,080	134,602
Restricted bank deposits	*26*	–	1,778	1,918
Cash and cash equivalents	*26*	451,410	21,811	14,801
		773,651	**760,954**	**955,675**
Current Liabilities				
Trade payables	*28*	99,686	115,238	251,791
Other payables and accruals	*29*	117,812	40,033	56,609
Lease liabilities	*30*	2,468	1,860	1,773
Borrowings	*31*	14,952	23,983	34,046
Contract liabilities	*33*	14,328	20,276	10,374
		249,246	**201,390**	**354,593**
Net Current Assets		**524,405**	**559,564**	**601,082**
Total Assets less Current Liabilities		**745,202**	**762,606**	**898,894**
Non-current Liabilities				
Other payables	*29*	10,000	–	–
Lease liabilities	*30*	710	2,658	983
Deferred income	*32*	9,430	22,092	22,026
Redemption liabilities	*34*	1,476,554	1,661,491	2,033,775
		1,496,694	**1,686,241**	**2,056,784**
Net Liabilities		**(751,492)**	**(923,635)**	**(1,157,890)**
Capital and Reserves				
Paid-in capital/share capital	*36*	8,948	22,990	23,869
Reserves		(760,440)	(946,625)	(1,181,759)
Total deficits		**(751,492)**	**(923,635)**	**(1,157,890)**

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current Assets				
Property, plant and equipment	*16*	5,345	3,808	3,124
Right-of-use assets	*17*	314	105	–
Intangible assets	*18*	1,106	353	73
Amounts due from subsidiaries	*44*	230,930	424,334	716,895
Investments in subsidiaries	*45*	80,643	121,494	125,794
Prepayments, deposits and other receivables	*24*	1,032	116	105
		319,370	**550,210**	**845,991**
Current Assets				
Inventories	*20*	1,168	355	568
Trade receivables	*21*	53,756	72,368	56,069
Notes receivables measured at FVTOCI	*21*	7,402	10,419	19,513
Contract assets	*22*	246	926	–
Prepayments, deposits and other receivables	*24*	6,928	4,464	7,429
Financial assets at FVTPL	*25*	50,109	293,571	212,476
Restricted bank deposits	*26*	–	8	8
Cash and cash equivalents	*26*	420,466	12,417	587
		540,075	**394,528**	**296,650**
Current Liabilities				
Trade payables	*28*	379	13,760	7,407
Other payables and accruals	*29*	2,145	4,929	4,021
Lease liabilities	*30*	215	–	–
Borrowings	*31*	14,952	23,983	34,046
Amounts due to subsidiaries	*44*	4,478	6,385	40,081
Contract liabilities	*33*	1,158	634	659
		23,327	**49,691**	**86,214**
Net Current Assets		**516,748**	**344,837**	**210,436**
Total Assets less Current Liabilities		**836,118**	**895,047**	**1,056,427**
Non-current Liabilities				
Deferred income	*32*	3,343	8,413	4,225
Redemption liabilities	*34*	1,476,554	1,661,491	2,033,775
		1,479,897	**1,669,904**	**2,038,000**
Net Liabilities		**(643,779)**	**(774,857)**	**(981,573)**
Capital and Reserves				
Paid-in capital/share capital	*36*	8,948	22,990	23,869
Reserves	*37*	(652,727)	(797,847)	(1,005,442)
Total deficits		**(643,779)**	**(774,857)**	**(981,573)**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Share capital	Paid-in capital	Capital and other reserve	Translation reserve	Accumulated losses	Total
	RMB'000	*RMB'000 (Note i)*	*RMB'000 (Note ii, Note iv)*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	**–**	**7,756**	**(33,391)**	**(161)**	**(570,105)**	**(595,901)**
Loss for the year	–	–	–	–	(157,464)	**(157,464)**
Exchange differences on translation of foreign operations	–	–	–	26	–	**26**
Total comprehensive income (expense) for the year	**–**	**–**	**–**	**26**	**(157,464)**	**(157,438)**
Issue shares for strategic+ series investments *(Note 34)*	–	1,192	498,808	–	–	**500,000**
Recognition of redemption liabilities for the redemption rights newly granted to strategic+ series investors *(Note 34)*	–	–	(500,000)	–	–	**(500,000)**
Share-based payments *(Note 35)*	–	–	1,847	–	–	**1,847**
As at December 31, 2023	**–**	**8,948**	**(32,736)**	**(135)**	**(727,569)**	**(751,492)**
Loss for the year	–	–	–	–	(191,756)	**(191,756)**
Exchange differences on translation of foreign operations	–	–	–	(91)	–	**(91)**
Total comprehensive expense for the year	**–**	**–**	**–**	**(91)**	**(191,756)**	**(191,847)**
Share-based payments *(Note 35)*	–	–	19,351	–	–	**19,351**
Capital injection from a share award scheme platform	–	353	–	–	–	**353**
Conversion into a joint stock limited liability company *(Note iii)*	22,500	(9,301)	(444,377)	–	431,178	**–**
Issue shares for strategic+ series investments *(Note 34)*	490	–	84,510	–	–	**85,000**
Recognition of redemption liabilities for the redemption rights newly granted to strategic+ series investors *(Note 34)*	–	–	(85,000)	–	–	**(85,000)**
As at December 31, 2024	**22,990**	**–**	**(458,252)**	**(226)**	**(488,147)**	**(923,635)**
Loss for the year	–	–	–	–	(179,312)	**(179,312)**
Exchange differences on translation of foreign operations	–	–	–	57	–	**57**
Total comprehensive income (expense) for the year	**–**	**–**	**–**	**57**	**(179,312)**	**(179,255)**
Issue shares for [**REDACTED**] series investments *(Note 34)*	879	–	194,121	–	–	**195,000**
Recognition of redemption liabilities for the redemption rights newly granted to [**REDACTED**] series investors *(Note 34)*	–	–	(195,000)	–	–	**(195,000)**
Modification of certain ordinary shares *(Note 34)*	–	–	(55,000)	–	–	**(55,000)**
As at December 31, 2025	**23,869**	**–**	**(514,131)**	**(169)**	**(667,459)**	**(1,157,890)**

Notes:

(i) To the Historical Financial Information, the paid-in capital of the Group represents the paid-in capital of the Company before it was converted into joint stock limited liability company.

(ii) Before the Track Record Period, the terms attached to certain ordinary shares were modified and these shares were with redemption rights after the modification. The redemption liabilities were recognized as financial liabilities initially at fair value and subsequently measured at amortized cost. The fair value of the financial liability on the modification day amounting to RMB48,516,000 was debited to capital and other reserve.

(iii) On December 9, 2024, the Company was converted from a limited liability company into joint stock limited liability company by issuing 22,500,000 shares at par value of RMB1 each, of which approximately 8,433,974 shares without redemption rights and remaining 14,066,026 shares with redemption rights. The difference between the par value of new shares issued and the nominal value of the issued paid-in capital and accumulated losses was debited to the Company's capital and other reserve.

(iv) Capital and other reserve includes share premium, share-based payments reserve and other reserve arising from equity instrument's modification.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES			
Loss before tax	(157,464)	(191,756)	(179,312)
Adjustments for:			
Depreciation of property, plant and equipment	12,516	10,707	10,797
Depreciation of right-of-use assets	6,939	2,912	2,353
Amortization of intangible assets	1,205	935	1,096
Write-down of inventories	14,484	8,212	6,272
Warranty provision provided	4,243	5,128	6,707
Impairment losses under ECL model, net of reversal	975	19,943	4,847
Fair value changes of financial assets at FVTPL	(504)	(9,245)	(3,317)
Gain on modification of redemption liabilities	(13,919)	–	–
Loss on disposal of property, plant and equipment and intangible assets	304	253	131
Interest income from term deposit	(2,902)	(2,270)	(4,851)
Finance costs	69,326	100,248	122,488
Net foreign exchange gains	(258)	(125)	(11)
Share-based payment expenses	1,847	19,351	–
Loss/(gain) from lease termination	72	(18)	–
Operating cash flows before movements in working capital	**(63,136)**	**(35,725)**	**(32,800)**
Increase in trade and notes receivables	(45,353)	(119,151)	(67,476)
(Increase)/decrease in contract assets	(4,928)	1,913	(4,411)
(Increase)/decrease in contract costs	(1,697)	(28,850)	34,882
(Increase)/decrease inventories	(4,565)	4,636	(114,936)
(Increase)/decrease in prepayments, deposits and other receivables	(1,014)	(414)	845
Increase in trade payables	38,101	35,049	113,892
(Decrease)/increase in other payables and accruals	(5,722)	441	2,452
(Decrease)/increase in deferred income	(6,309)	12,662	(66)
(Decrease)/increase in contract liabilities	(610)	5,948	(9,902)
Cash used in operations	**(95,233)**	**(123,491)**	**(77,520)**
Income taxes paid	–	–	–
NET CASH USED IN OPERATING ACTIVITIES	**(95,233)**	**(123,491)**	**(77,520)**
INVESTING ACTIVITIES			
Placement of restricted bank deposits	–	(1,778)	(2,536)
Withdrawal of restricted bank deposits	–	–	2,396
Purchase of financial assets at FVTPL	(120,000)	(930,000)	(390,000)
Proceeds from maturity or disposal of financial assets at FVTPL	120,407	695,783	454,370
Payments for right-of-use assets	(37)	–	–
Purchases of property, plant and equipment	(9,609)	(22,654)	(14,746)
Proceeds from disposal of property and equipment	261	368	52
Purchases of intangible assets	(208)	(1,960)	(5,330)
Purchases of term deposit	(30,000)	(20,000)	(226,000)
Proceeds from maturity of term deposit	61,734	–	60,433
Proceeds on repayment of loans to directors	–	1,503	–
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**22,548**	**(278,738)**	**(121,361)**

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
FINANCING ACTIVITIES			
Proceeds from borrowings	15,000	–	–
Repayments of borrowings	–	(15,000)	–
Interest paid	(1,165)	(263)	(204)
Repayments of lease liabilities	(6,290)	(2,494)	(1,762)
Repayments of refundable liability to a non-controlling shareholder *(Note 29)*	–	(10,000)	–
Capital injection from a share award scheme platform	–	353	–
Payment of issue costs	–	–	(1,231)
Proceeds from strategic+ series investors *(Note 34)*	500,000	–	–
Proceeds from [**REDACTED**] series investors *(Note 34)*	–	–	195,000
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**507,545**	**(27,404)**	**191,803**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	434,860	(429,633)	(7,078)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	16,266	451,410	21,811
Effect of foreign exchange rate changes	284	34	68
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	451,410	21,811	14,801

NOTES TO THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

1.1 General information

The Company was incorporated in Beijing on December 14, 2014 as a limited liability company. The Company was converted into a joint stock limited liability company under the Company Law of the PRC on December 9, 2024. The address of the Company's registered office and principal place of business are disclosed in the section headed "Corporate Information" in the Document. Mr. Tuo Hua, who is also the founder, executive director, chairman of the board (the "Board"), and the general manager of the Company, is the ultimate controlling shareholder of the Company.

Rokae (Shandong) Robotics Group Inc. (珞石(山東)機器人集團股份有限公司) (the "Company") and its subsidiaries (together, the "Group") are principally engaged in design, development, manufacturing and commercialization of intelligent robots and robotic solutions.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

1.2 Basis of preparation of the Historical Financial Information

The Historical Financial Information has been prepared based on the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance (the "Companies Ordinance").

As at December 31, 2025, the Group and the Company had net liabilities of RMB1,157,890,000 and RMB981,573,000, respectively, the net liabilities primarily arise from the redemption liabilities, amounting to RMB2,033,775,000 as at December 31, 2025 which will not mature until December 31, 2027. The Group also recorded loss and negative operating cashflows during the Track Record Period. The Group has performed a working capital forecast for the next twelve months. Taking into account the financial resources available to the Group, including cash and cash equivalents, financial assets at FVTPL, term deposits. The Directors believe that the Group will have sufficient cash resources to satisfy its future working capital in the next twelve months from the date of this report. Accordingly, the Directors consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

2. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with HKFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025, throughout the Track Record Period.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards – Volume 11*[2]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after January 1, 2026.

[3] Effective for annual periods beginning on or after January 1, 2027.

Expect for the new and amendments to HKFRS Accounting Standard mentioned below, the Directors anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the Historical Financial Information in the foreseeable future.

Impacts on application of HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the

financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted.

The application of the new standard is not expected to have significant impact on the financial performance and position of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income. Additional disclosures required for the Group's management-defined performance measures will be disclosed in a separate note to the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less accumulated impairment losses, if any.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in note 5.

Leases

The Group as lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of certain warehouses, and offices that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liabilities at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (capital and other reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital and other reserve.

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognizes, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period. If the modification occurs after vesting period, the incremental fair value granted is recognized immediately, or over the vesting period if additional period of service is required before the modified equity instruments are vested.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than the construction in progress as described below). Property, plant and equipment are stated in the statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and depreciation of leasehold land during the construction period. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Impairment on property, plant and equipment, right-of-use assets, intangible assets and contract costs

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right of-use assets, intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, intangible assets and contract costs are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognizes an impairment loss for assets capitalized as contract costs under HKFRS 15, the Group assesses and recognizes any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalized as contract costs is recognized to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognized as expenses. The assets capitalized as contract costs are then included in the carrying amount of the cash generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Research and development expenses

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position and consolidated statement of cash flows include:

(a) cash, which comprises of cash on hand; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of robotic products and solutions are recognized at the date of sale of the relevant products, at the Directors' best estimate of the expenditure required to settle the Group's obligation.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

(ii) Debt receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt receivables had been measured at amortised cost. All other changes in the carrying amount of these debt receivables are recognized in other comprehensive income. Impairment allowances are recognized in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt receivables. When these debt receivables are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and notes receivables, restricted bank deposits, deposits and other receivables, amounts due from subsidiaries, term deposits and cash and cash equivalents) and contract assets which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant financial instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognizes lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables and contract assets, using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

To measure the expected credit losses, certain trade receivables and contract assets have been grouped based on shared credit risk characteristics and aging.

The grouping is regularly reviewed by the management to ensure the constituents of each group continue to share similar credit risk characteristics.

(vi) Measurement and recognition of ECL

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognized through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "Other gains and losses" line item as part of the net foreign exchange gains.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost

Financial liabilities including trade payables, other payables, amounts due to subsidiaries, borrowings and redemption liabilities are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Modification of financial liabilities

When the contractual terms of a debt instrument are modified, such as extending the tenure, change in redemption price, the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognized and the fair value of consideration paid or payable, including any liabilities assumed, is recognized in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized 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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables

Generally, the Group uses practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is available without undue cost or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. Trade receivables with credit-impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 40 and 21, respectively.

Write-down of inventories

The Group's inventories are stated at the lower of cost and net realizable value. The Group writes down its inventories based on estimates of the realizable value with reference to the latest sale prices and current market conditions. Inventories will be reviewed periodically for write-down, if appropriate. The provision against inventories requires the use of judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognized in the periods in which such estimates have been changed.

As at December 31, 2023, 2024 and 2025, the net carrying amount of inventories amount to RMB99,347,000, RMB86,499,000 and RMB195,163,000, respectively. For the years ended December 31, 2023, 2024 and 2025, write-down of inventories amounting to RMB14,484,000, RMB8,212,000 and RMB6,272,000 are recognized in profit or loss, respectively.

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

During the Track Record Period, the Group's revenue which represents the amount received and receivable, net of discounts and sales related taxes, from sales of robotic products, provision of robotic solutions and others, are as follows:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of services or goods:			
Sales of robotic products	181,608	268,666	409,918
Provision of robotic solutions	79,211	51,112	100,014
Others	6,206	5,479	11,815
	267,025	325,257	521,747
Timing of revenue recognition:			
At a point in time	267,025	325,257	521,747

(ii) Performance obligations for contracts with customers and revenue recognition policies

Sales of robotic products

The Group's robotic products mainly include industrial robots, flexible collaborative robots, and embodied intelligent robots, as these standard products normally do not require complex installation or commissioning, revenue is recognized at the point in time when control of the product is transferred to the customer, generally upon delivery and acceptance of the products. The Group normally grants customers a credit period of 30 to 90 days for sales of robotic products, based on the assessed credit worthiness of the customers, where down payment is normally required.

Provision of robotic solutions

Robotic solutions involve the design, manufacture, implementation, and commissioning of customized robotic systems that can perform the required tasks in the specific scenarios stipulated in the sales contract.

The Group believes that the goods and services promised under robot solutions constitute a single performance obligation because these promises are highly interdependent, and the customer cannot derive significant benefit from any individual promise for its intended use without obtaining the other goods or services. Revenue from the sale of robotic solutions is recognized at point in time when the robotic solutions are accepted by the customers, and payment is generally due in 30 to 180 days upon the acceptance and down payment is normally required. The costs incurred to satisfy the performance obligation are recognized as contract costs and expensed when the related revenue is recognized.

Others

Others primarily consist of sales of spare parts related to robotic products and other support services, the performance obligation is satisfied at a point in time when control of the products are transferred to the customers or services are completed. Payment is generally due upon completion of services or acceptance of customers.

Warranties

Sales-related warranties are not sold separately and serve as an assurance that the products sold comply with agreed-upon specifications. The Group accounts for these warranties in accordance with HKAS 37 Provisions, Contingent Liabilities, and Contingent Assets. The warranty provision is based on historical experience and management's best estimate and is updated at each reporting period.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Substantially all contracts of the Group are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Segment information

The general manager of the Company, being the chief operating decision makers, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

(v) Geographical information

Information about the Group's revenue from external customers is presented based on the location of the customers are as follows:

Geographical markets:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Chinese Mainland	228,856	296,027	475,126
Overseas	38,169	29,230	46,621
	267,025	325,257	521,747

The Group's non-current assets are mainly located in Chinese Mainland of the PRC, except for immaterial amount of right-of-use assets located in Japan for Rokae Precision Machinery Co., Ltd. ("Rokae Japan"), a subsidiary of the Group in Japan.

(vi) Information about major customers

During the Track Record Period, there was no customer whose revenue contribution exceeded 10% of the Group's total revenue.

6. OTHER INCOME

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants *(Note i)*	10,502	11,145	14,343
Interest income from bank and term deposits	3,476	3,198	6,298
Value-added tax super deduction *(Note ii)*	891	2,111	155
Others	201	49	53
	15,070	16,503	20,849

Notes:

i. The government grants mainly refer to subsidies provided by local government authorities in China for the research and development of front-end technologies of companies, as well as incentive measures provided to reward the support and contribution of the Group to local economic development.

There were no unfulfilled conditions or contingencies relating to these government grants at the end of each of the reporting period during the Track Record Period.

ii. In accordance with Cai Shui [2023] No. 43, the Group was eligible for additional value-added tax credits by 5% of the current period creditable value-added tax input from January 1, 2023 to December 31, 2027 upon meeting all applicable criteria.

7. OTHER GAINS AND LOSSES

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fair value changes of financial assets at FVTPL	504	9,245	3,317
Net foreign exchange gains	258	125	11
Loss on disposal of property, plant and equipment and intangible assets	(304)	(253)	(131)
Modification of redemption liabilities *(Note 34)*	13,919	–	–
(Loss)/gain from lease termination	(72)	18	–
Others	(107)	(75)	(290)
	14,198	9,060	2,907

8. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Impairment losses recognized on:			
– Trade receivables	800	19,921	4,677
– Contract assets	175	22	170
	975	19,943	4,847

Details of impairment assessment are set out in note 40.

9. FINANCE COSTS

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interests on redemption liabilities	68,209	99,937	122,284
Interests on lease liabilities	351	126	204
Interests on borrowings and others	766	185	–
	69,326	100,248	122,488

10. INCOME TAX EXPENSE

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax	–	–	–
Deferred tax *(Note 19)*	–	–	–
	–	–	–
	–	–	–
	=	=	=

Except for Rokae Japan, which is incorporated in Japan, the Company and its other subsidiaries are registered and established in PRC.

Under the Law of the PRC on enterprise income tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the Company and its subsidiaries is 25% during the Track Record Period. The Group's subsidiary incorporated in Japan is subject to Japan profits tax at a rate of 23.2%.

PRC Corporate Income Tax

Under the EIT Law effective on January 1, 2008, the "High and New Technology Enterprise" (the "HNTE") status of qualifying entities is valid for three years and qualifying entities can re-apply for an additional three years provided their business operations continue to qualify for the HNTE status.

The Company was qualified as HNTE and was entitled to a preferential tax rate of 15% for the years ended December 31, 2023, 2024 and 2025, as the HNTE qualification was approved and valid for 3 years from December 2022 to December 2025. The HNTE qualification has been renewed in late 2025 for the next three years until 2028.

The Company's subsidiary Rokae (Shandong) Intelligent Technology Co., Ltd. (珞石(山東)智能科技有限公司, "Rokae Shandong") was qualified as HNTE and was entitled to a preferential tax rate of 15% for the years ended December 31, 2023, 2024 and 2025, until its expiration in 2027. The Company's subsidiary Suzhou Kenuo Robotics Co., Ltd. (蘇州科諾機器人有限責任公司, "Suzhou Kenuo") was qualified as HNTE and was entitled to a preferential tax rate of 15% for the years ended December 31, 2022 and 2023. The Company's subsidiary Rokae (Beijing) Robotics Co., Ltd. (珞石(北京)機器人有限公司, "Rokae Beijing") was qualified as HNTE and was entitled to a preferential tax rate of 15% for the years ended December 31, 2024 and 2025, until its expiration in 2027.

The Company's subsidiaries Suzhou Kenuo, Rokae (Tianjin) Robotics Co., Ltd. (珞石(天津)機器人有限公司, "Rokae Tianjin"), Rokae (Shenzhen) Intelligent Technology Co., Ltd. (珞石(深圳)智能科技有限公司, "Rokae Shenzhen"), and Rokae New Energy (Shanghai) Robotics Co., Ltd. (珞石新動能(上海)機器人有限公司, "Rokae New Energy") were qualified as small and micro enterprises and were entitled to a preferential tax rate of 20% during the Track Record Period.

The Group is entitled to claim 200% of qualified research and development expenses so incurred as tax deductible expenses when determining its assessable profits for that year ("Super Deduction") during the Track Record Period, pursuant to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC.

The income tax expense for the Track Record Period can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(157,464)	(191,756)	(179,312)
Tax at the statutory rate of 25%	(39,366)	(47,939)	(44,828)
Tax effect of expenses not deductible for tax purposes	17,340	25,405	31,273
Tax effect Super Deduction of research and development expenses	(11,322)	(10,993)	(15,176)
Tax effect of deductible temporary differences not recognized	596	7,963	1,780
Tax effect of tax losses not recognized	22,470	13,919	19,332
Utilization of tax losses previously not recognized	–	–	(3,021)
Tax effect of differences in preferential tax rate	10,129	11,495	10,519
Tax effect of differences in foreign tax rate	153	150	121
Income tax expense for the year	–	–	–

11. LOSS FOR THE YEAR

The Group's loss for the year during the Track Record Period has been arrived at after charging:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Staff costs (including directors' emoluments as set out in *Note 12):*			
Salaries	91,520	91,475	107,169
Performance-based bonus	5,821	7,197	11,125
Share-based payment	1,847	19,351	–
Retirement benefit scheme contributions	10,252	10,467	12,684
Total staff costs	109,440	128,490	130,978
Less: capitalized in inventories and contract costs	19,245	20,459	27,983
	90,195	108,031	102,995
Depreciation and amortization:			
Depreciation of property, plant and equipment	12,516	10,707	10,797
Depreciation of right-of-use assets	6,939	2,912	2,353
Amortization of intangible assets	1,205	935	1,096
Total depreciation and amortization	20,660	14,554	14,246
Less: capitalized in inventories and contract costs	5,543	4,970	5,429
	15,117	9,584	8,817
Cost of inventories recognized as an expense (including write-down of inventories amounting to RMB14,484,000, RMB8,212,000, and RMB6,272,000, during the years ended December 31, 2023, 2024 and 2025, respectively)	234,986	251,220	401,862
Auditor's remuneration	484	699	–
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

12. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

The emoluments paid or payable to the Directors and chief executive of the Company by entities comprising the Group during the Track Record Period, disclosed pursuant to the applicable Listing Rules and the Companies Ordinance, are as follows:

	For the year ended December 31, 2023				
	Salaries	Performance-based bonus *(Note xi)*	Share-based payment	Retirement benefit scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors *(Note i)*					
Mr. Tuo Hua *(Note iii)*	630	99	–	63	792
Mr. Tang Shengtian *(Note iv)*	630	107	1,139	63	1,939
Mr. Song Bin *(Note iv)*	630	107	36	63	836
Dr. Wang Hao *(Note iv)*	630	107	132	63	932
Mr. Yu Wenjin *(Note v)*	571	95	145	63	874
Mr. Han Fengtao *(Note vi)*	631	–	–	63	694
Non-executive Directors *(Note ii)*					
Mr. Koh Tuck Lye *(Note vii)*	–	–	–	–	–
Mr. Yang Jian *(Note vii)*	–	–	–	–	–
Mr. Yu Feng *(Note vii)*	–	–	–	–	–
Ms. Yang Liu *(Note viii)*	–	–	–	–	–
Supervisors					
Ms. Wang Xiaojie *(Note ii, ix)*	–	–	–	–	–
Ms. Li Xiujuan *(Note i, ix)*	405	66	11	52	534
Ms. Wang Shuang *(Note i, ix)*	–	–	–	–	–
	4,127	581	1,463	430	6,601

	For the year ended December 31, 2024				
	Salaries	Performance-based bonus *(Note xi)*	Share-based payment	Retirement benefit scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors *(Note i)*					
Mr. Tuo Hua *(Note iii)*	588	97	18,884	41	19,610
Mr. Tang Shengtian *(Note iv)*	588	97	242	41	968
Mr. Song Bin *(Note iv)*	588	92	12	41	733
Dr. Wang Hao *(Note iv)*	588	97	44	41	770
Mr. Zhang Lei *(Note v)*	573	97	–	41	711
Mr. Yu Wenjin *(Note v)*	573	97	48	41	759
Non-executive Directors *(Note ii)*					
Mr. Koh Tuck Lye *(Note vii)*	–	–	–	–	–
Mr. Yang Jian *(Note vii)*	–	–	–	–	–
Mr. Yu Feng *(Note vii)*	–	–	–	–	–
Mr. Zhou Wei *(Note vii)*	–	–	–	–	–
Ms. Yang Liu *(Note viii)*	–	–	–	–	–
Mr. Xiao Yi *(Note viii)*	–	–	–	–	–
Mr. Yu Shihua *(Note viii)*	–	–	–	–	–
Supervisors					
Ms. Wang Xiaojie *(Note ii, ix)*	–	–	–	–	–
Ms. Wang Shuang *(Note i, ix)*	311	36	–	41	388
Total	3,809	613	19,230	287	23,939

	For the year ended December 31, 2025					
	Salaries	Performance-based bonus *(Note xi)*	Directors' fees	Share-based payment	Retirement benefit scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors *(Note i)*						
Mr. Tuo Hua *(Note iii)*	788	130	–	–	68	986
Mr. Tang Shengtian *(Note iv)*	750	130	–	–	68	948
Mr. Song Bin *(Note iv)*	744	130	–	–	68	942
Dr. Wang Hao *(Note iv)*	750	65	–	–	68	883
Mr. Zhang Lei *(Note v)*	749	–	–	–	68	817
Mr. Yu Wenjin *(Note v)*	533	92	–	–	48	673
Non-executive Directors *(Note ii)*						
Ms. Yang Liu *(Note viii)*	–	–	–	–	–	–
Mr. Xiao Yi *(Note viii)*	–	–	–	–	–	–
Mr. Yu Shihua *(Note viii)*	–	–	–	–	–	–
Independent Non-executive Directors						
Mr. Zhang Peilin *(Note x)*	–	–	35	–	–	35
Ms. Zhang Rui *(Note x)*	–	–	35	–	–	35
Ms. Chan Maria *(Note x)*	–	–	35	–	–	35
Supervisors						
Ms. Wang Xiaojie *(Note ii, ix)*	–	–	–	–	–	–
Ms. Wang Shuang *(Note i, ix)*	237	13	–	–	30	280
Total	4,551	560	105	–	418	5,634

Notes:

i. The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. Certain supervisors' emoluments shown above were paid for their services as supervisors of the Company during the Track Record Period.

ii. These non-executive directors and the supervisor, Ms. Wang Xiaojie, were appointed by investor shareholders and no emoluments were paid by the Group during the Track Record Period.

iii. Mr. Tuo Hua was appointed as an executive director and the general manager since December 2014, the chairman of the Board since March 2017.

iv. Mr. Tang Shengtian was appointed as an executive director since March 2021. Mr. Song Bin and Dr. Wang Hao were appointed as executive directors since July 2018.

v. Mr. Zhang Lei was appointed as an executive director since May 2024. Mr. Yu Wenjin was appointed as an executive director since December 2023, and resigned in September 2025.

vi. Mr. Han Fengtao was appointed as an executive director in March 2017, and resigned in December 2023.

vii. Mr. Koh Tuck Lye was appointed as a non-executive director in January 2019, and resigned in May 2024. Mr. Yang Jian was appointed as a non-executive director in June 2018, and resigned in January 2024. Mr. Yu Feng was appointed as a non-executive director in December 2021, and resigned in September 2024. Mr. Zhou Wei was appointed as a non-executive director in January 2024, and resigned in September 2024.

viii. Ms. Yang Liu was appointed as a non-executive director since August 2020, and resigned in September 2025. Mr. Xiao Yi was appointed as non-executive directors since September 2024, and resigned in September 2025. Mr. Yu Shihua was appointed as non-executive directors since September 2024.

ix. Ms. Wang Xiaojie was appointed as a supervisor since May 2021, and resigned in September 2025. Ms. Li Xiujuan was appointed as a supervisor in December 2022, and resigned in December 2023. Ms. Wang Shuang was appointed as a supervisor since December 2023, and resigned in September 2025.

x. Mr. Zhang Peilin, Ms. Zhang Rui and Ms. Chan Maria were appointed as independent non-executive directors since September 2025.

xi. Performance-based bonus is determined based on the Group's performance, performance of the relevant individuals within the Group and comparable market statistics.

During the Track Record Period, restricted stock units ("RSUs") were granted to certain directors through share incentive platforms, further details of which are included in the disclosures in note 35 to the Historical Financial Information. The fair value of such awarded shares, which has been recognized in profit or loss for the Track Record Period and has been included in the above directors' remuneration disclosures.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Track Record Period.

13. FIVE HIGHEST PAID EMPLOYEE

The five highest paid employees of the Group during the Track Record Period included 3, 2 and 4 directors for the years ended December 31, 2023, 2024 and 2025, respectively, details of whose remuneration are set out in note 12. Details of the remuneration for the remaining 2, 3 and 1 individuals who are not director of the Company for the Track Record Period were as follows:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries	1,522	2,021	932
Performance-based bonus	547	521	259
Retirement benefit scheme contributions	176	256	118
	2,245	2,798	1,309

The number of the highest paid employees who are not the director of the Company whose remuneration fell within the following bands is as follows:

	For the year ended December 31,		
	2023	2024	2025
	No. of employees	*No. of employees*	*No. of employees*
Nil to HKD1,000,000	–	1	–
HKD1,000,001 to HKD1,500,000	2	2	1
Total	2	3	1

During the Track Record Period, RSUs were granted to certain non-director highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 35 to the Historical Financial Information.

During the Track Record Period, no emoluments were paid by the Group to any of the Directors, supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. DIVIDENDS

No dividend was declared or paid by the entities comprising the Group in respect of the Track Record Period.

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss:			
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(157,464)	(191,756)	(179,312)

	For the year ended December 31,		
	2023	2024	2025
Number of shares			
Weighted average number of shares for the purpose of basic and diluted loss per share	84,339,740	84,339,740	81,438,385

The Company was converted into a joint stock limited liability company and issued 22,500,000 shares at par value of RMB1 each on December 9, 2024. The weighted average number of shares for the purpose of calculating basic and diluted loss per share during the Track Record Period has been determined on the assumptions that the Company's conversion into joint stock limited liability company had been completed on/effective since January 1, 2022. The weighted average number of ordinary shares for the purpose of calculating basic loss per share also has been adjusted for the share split disclosed in Note 36.

The computation of diluted loss per share for the years ended December 31, 2023, 2024 and 2025 has not taken into consideration the exercise of the redemption rights of the redemption liabilities as disclosed in Note 34 as the effect is anti-dilutive.

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Leasehold improvements	Vehicles	Machinery and equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST						
At January 1, 2023	104,236	8,817	1,931	36,157	1,658	152,799
Additions	–	836	–	7,885	888	9,609
Transfer in/(out)	1,873	–	–	–	(1,873)	–
Disposals	–	–	–	(1,513)	–	(1,513)
At December 31, 2023	106,109	9,653	1,931	42,529	673	160,895
Additions	–	274	1,200	4,112	18,720	24,306
Disposals	–	–	(260)	(695)	–	(955)
At December 31, 2024	106,109	9,927	2,871	45,946	19,393	184,246
Additions	–	637	274	7,612	6,223	14,746
Transfer in/(out)	25,234	–	–	211	(25,445)	–
Disposals	–	–	–	(1,488)	–	(1,488)
At December 31, 2025	131,343	10,564	3,145	52,281	171	197,504
DEPRECIATION						
At January 1. 2023	(1,570)	(4,387)	(1,167)	(11,727)	–	(18,851)
Charge for the year	(2,781)	(3,116)	(254)	(6,365)	–	(12,516)
Eliminated on disposals	–	–	–	948	–	948
At December 31, 2023	(4,351)	(7,503)	(1,421)	(17,144)	–	(30,419)
Charge for the year	(2,781)	(1,682)	(336)	(5,908)	–	(10,707)
Eliminated on disposals	–	–	247	434	–	681
At December 31, 2024	(7,132)	(9,185)	(1,510)	(22,618)	–	(40,445)
Charge for the year	(3,042)	(427)	(402)	(6,926)	–	(10,797)
Eliminated on disposals	–	–	–	1,305	–	1,305
At December 31, 2025	(10,174)	(9,612)	(1,912)	(28,239)	–	(49,937)
CARRYING AMOUNT						
At December 31, 2023	101,758	2,150	510	25,385	673	130,476
At December 31, 2024	98,977	742	1,361	23,328	19,393	143,801
At December 31, 2025	121,169	952	1,233	24,042	171	147,567

The Company

	Leasehold improvements	Vehicles	Machinery and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
At January 1, 2023	5,624	911	8,419	14,954
Additions	48	–	96	144
Disposals	–	–	(1,238)	(1,238)
At December 31, 2023	5,672	911	7,277	13,860
Additions	–	–	201	201
Disposals	–	–	(937)	(937)
At December 31, 2024	5,672	911	6,541	13,124
Additions	–	–	–	–
Disposals	–	–	(103)	(103)
At December 31, 2025	5,672	911	6,438	13,021
DEPRECIATION				
At January 1, 2023	(3,270)	(404)	(2,667)	(6,341)
Charge for the year	(1,949)	(173)	(871)	(2,993)
Eliminated on disposals	–	–	819	819
At December 31, 2023	(5,219)	(577)	(2,719)	(8,515)
Charge for the year	(449)	(173)	(567)	(1,189)

	Leasehold improvements	Vehicles	Machinery and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Eliminated on disposals	–	–	388	388
At December 31, 2024	(5,668)	(750)	(2,898)	(9,316)
Charge for the year	(4)	(115)	(557)	(676)
Eliminated on disposals	–	–	95	95
At December 31, 2025	(5,672)	(865)	(3,360)	(9,897)
CARRYING AMOUNT				
At December 31, 2023	453	334	4,558	5,345
At December 31, 2024	4	161	3,643	3,808
At December 31, 2025	–	46	3,078	3,124

Note: As at December 31, 2023 and 2024, the Group's buildings and leasehold lands (Note 17) in the aggregate carrying amounts of RMB109,772,000 and RMB106,689,000, respectively, were pledged to a construction service provider, namely Shandong Zhengfang Industrial Development Co., Ltd ("Shandong Zhengfang") for the outstanding payment in relation to the construction of the Group's buildings in Shandong. The pledge was discharged in September 2025 after majority of the payment was settled.

The above items of property, plant and equipment except for construction in progress, after taking into account the residual value, are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the shorter of the lease term or 3 years
Buildings	2.38%-4.75%
Vehicles	19.00%-23.75%
Machinery and equipment	9.50%-32.33%

Impairment assessment on certain non-current assets

In accordance with IAS 36, the Group performed impairment tests at each period-end on non-current assets (primarily including property, plant and equipment, right-of-use assets and intangible assets) that show indications of impairment and estimate the recoverable amount of the non-current assets.

For impairment testing, the Group identified the cash-generating unit ("CGU") as the smallest group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets, as the recoverable amount cannot be estimated on an individual asset basis. The Group's corporate assets are not material and have been allocated to the identified CGU for impairment testing purpose. The recoverable amount was determined based on a value-in-use calculation using cash flow projections derived from management's best estimates. Based on the impairment test results, the carrying amount of the CGU with impairment indications did not exceed its recoverable amount based on value in use, and accordingly no impairment was recognised.

17. RIGHT-OF-USE ASSETS

The Group

	Leased properties	Leasehold lands	Total
	RMB'000	*RMB'000 (Note)*	*RMB'000*
Carrying value			
At January 1, 2023	10,630	10,581	21,211
Additions	1,133	9,501	10,634
Termination of leases	(1,912)	–	(1,912)
Depreciation charge	(6,561)	(378)	(6,939)
At December 31, 2023	3,290	19,704	22,994
Additions	4,113	–	4,113
Termination of leases	(261)	–	(261)
Depreciation charge	(2,500)	(412)	(2,912)
At December 31, 2024	4,642	19,292	23,934
Depreciation charge	(1,941)	(412)	(2,353)
At December 31, 2025	2,701	18,880	21,581

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expense relating to short-term leases	475	4,744	4,606
Total cash outflow for leases	7,092	7,410	7,137

The Company

	Leased properties
	RMB'000
Carrying value	
At January 1, 2023	6,272
Termination of leases	(1,828)
Depreciation charge	(4,130)
At December 31, 2023	314
Depreciation charge	(209)
At December 31, 2024	105
Depreciation charge	(105)
At December 31, 2025	–

Note: During the Track Record Period, the Group leases various lands and properties for its operations. Lease contracts are entered into for fixed terms of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

As at December 31, 2023 and 2024, the Group had pledged its leasehold lands to Shandong Zhengfang. This pledge was discharged in September 2025 after majority of the payment was settled, as disclosed in Note 16.

The Group regularly entered into short-term leases for offices. As at December 31, 2023, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Lease liabilities of the Group amount to RMB3,178,000, RMB4,518,000 and RMB2,756,000 are recognized with related right-of-use assets of RMB3,290,000, RMB4,642,000 and RMB2,701,000 as at December 31, 2023, 2024 and 2025, respectively. Lease liabilities of the Company amount to RMB215,000, nil and nil are recognized with related right-of-use assets of RMB314,000, RMB105,000 and nil as at December 31, 2023, 2024 and 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

18. INTANGIBLE ASSETS

The Group

	Software		
	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
COST			
At beginning of the year	3,839	4,047	3,426
Additions	208	599	6,227
Disposals	–	(1,220)	–
At end of the year	4,047	3,426	9,653
AMORTIZATION			
At beginning of the year	(1,177)	(2,382)	(2,444)
Charge for the year	(1,205)	(935)	(1,096)
Eliminated on disposals	–	873	–
At end of the year	(2,382)	(2,444)	(3,540)
CARRYING AMOUNT			
At end of the year	1,665	982	6,113

The Company

	Software		
	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
COST			
At beginning of the year	2,778	2,910	2,433
Additions	132	–	–
Disposals	–	(477)	–
At end of the year	2,910	2,433	2,433
AMORTIZATION			
At beginning of the year	(760)	(1,804)	(2,080)
Charge for the year	(1,044)	(753)	(280)
Eliminated on disposals	–	477	–
At end of the year	(1,804)	(2,080)	(2,360)
CARRYING AMOUNT			
At end of the year	1,106	353	73

The above items of intangible assets were software purchased from third parties and have finite useful lives and are amortized on a straight-line basis over two to five years.

19. DEFERRED TAX ASSETS/LIABILITIES

The Group

For the purpose of presentation in the consolidated statements of financial position, deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for the financial reporting purpose:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	–	–	–
Deferred tax liabilities	–	–	–
	–	–	–
	–	–	–
	=	=	=

The followings are the deferred tax assets (liabilities) recognized and movements thereon during the Track Record Period:

	Allowance for credit loss	Changes in fair value of financial assets at FVTPL	Right-of-use assets	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	87	(2)	(1,929)	1,844	–
(Charge)/credit to profit or loss	(35)	(14)	1,233	(1,184)	–
At December 31, 2023	52	(16)	(696)	660	–
Credit/(charge) to profit or loss	508	(520)	(265)	277	–
At December 31, 2024	560	(536)	(961)	937	–
(Charge)/credit to profit or loss	(176)	158	405	(387)	–
At December 31, 2025	384	(378)	(556)	550	–
					=

As at December 31, 2023, 2024 and 2025, deferred tax assets has been recognized in respect of RMB3,399,000, RMB8,211,000 and RMB5,219,000, respectively. No deferred tax asset has been recognized in relation to the remaining deductible temporary differences other than unused tax losses for the years ended December 31, 2023, 2024 and 2025 of RMB99,846,000, RMB152,312,000 and RMB163,124,000, respectively, as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

As at December 31, 2023, 2024 and 2025 the Group has unused tax losses of RMB575,805,000, RMB657,561,000 and RMB758,790,000, respectively, available for offset against future profits. No deferred tax asset has been recognized in respect of the tax losses due to the unpredictability of future profit streams.

The Group's unutilized tax losses primarily arising from the Company and the Company's subsidiaries established in the PRC, which statutorily can be carried forward to offset future taxable income in 5 years, while those unutilized tax losses incurred by the qualified HNTE can be utilized in 10 years from the year of loss.

The unrecognized tax losses will expire in the following years:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2024	1,503	–	–
2025	2,729	2,729	–
2026	9,929	9,929	5,416
2027	30,405	30,405	29,131
2028	74,724	74,724	72,283
2029	64,975	77,054	70,175
2030	52,509	52,509	68,206
2031	53,850	53,850	53,850
2032	196,241	196,241	196,241
2033	88,940	88,940	88,940
2034	–	71,180	71,180
2035	–	–	103,368
Total	575,805	657,561	758,790

The Company

For the purpose of presentation in the consolidated statements of financial position, deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for the financial reporting purpose:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	–	–	–
Deferred tax liabilities	–	–	–
	–	–	–
	–	–	–
	=	=	=

The followings are the major deferred tax assets and liabilities recognized and movements thereon during the Track Record Period:

	Allowance for credit loss	Changes in fair value of financial assets at FVTPL	Right-of-use assets	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	83	(2)	(941)	860	–
(Charge)/credit to profit or loss	(52)	(14)	894	(828)	–
At December 31, 2023	31	(16)	(47)	32	–
Credit/(charge) to profit or loss	521	(520)	31	(32)	–
At December 31, 2024	552	(536)	(16)	–	–
(Charge)/credit to profit or loss	(174)	158	16	–	–
At December 31, 2025	378	(378)	–	–	–

As at December 31, 2023, 2024 and 2025, deferred tax assets has been recognized in respect of RMB423,000, RMB3,676,000 and RMB2,518,000 of deductible temporary differences, respectively. No deferred tax asset has been recognized in relation to the remaining deductible temporary differences other than unused tax losses for the years ended December 31, 2023, 2024 and 2025 of RMB27,619,000, RMB54,291,000 and RMB52,746,000, respectively, as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

As at December 31, 2023, 2024 and 2025 the Company has unused tax losses of RMB417,139,000, RMB423,748,000, RMB435,690,000 respectively, available for offset against future profits. No deferred tax asset has been recognized in respect of the tax losses due to the unpredictability of future profit streams.

The unrecognized tax losses will expire in the following years:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2024	12	–	–
2025	670	670	–
2026	5,416	5,416	5,416
2027	15,442	15,442	15,442
2028	31,392	31,392	31,392
2029	52,730	52,730	52,730
2030	49,032	49,032	49,032
2031	42,190	42,190	42,190
2032	151,786	151,786	151,786
2033	68,469	68,469	68,469
2034	–	6,621	6,621
2035	–	–	12,612
Total	417,139	423,748	435,690

20. INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	57,557	47,500	111,520
Working in progress	19,227	13,984	38,453
Finished goods	22,563	25,015	45,190
	99,347	86,499	195,163

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	–	29	36
Finished goods	1,168	326	532
	1,168	355	568

21. TRADE RECEIVABLES/NOTES RECEIVABLES MEASURED AT FVTOCI

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	127,575	237,105	301,858
Less: allowance for credit losses	(11,024)	(30,751)	(35,035)
	116,551	206,354	266,823
Notes receivables measured at FVTOCI	10,236	24,149	59,203
	126,787	230,503	326,026

The following is an aged analysis of trade receivables, net of allowance, presented based on dates of revenue recognition for sales of goods or provision of services.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	101,866	167,352	225,167
1-2 years	12,123	35,593	33,852
2-3 years	2,562	3,409	7,804
	116,551	206,354	266,823

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	57,866	82,614	67,859
Less: allowance for credit losses	(4,110)	(10,246)	(11,790)
	53,756	72,368	56,069
Notes receivables measured at FVTOCI	7,402	10,419	19,513
	61,158	82,787	75,582

The following is an aged analysis of trade receivables, net of allowance, presented based on dates of revenue recognition for sales of goods or provision of services.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	48,350	59,293	34,460
1-2 years	5,081	11,705	17,951
2-3 years	325	1,370	3,658
	53,756	72,368	56,069

Trade Receivables

As at January 1, 2023, trade receivables of the Group and the Company, net of allowance for ECL, amounted to RMB74,534,000 and RMB29,751,000, respectively.

The Group applies the simplified approach under HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the assets. The Group uses a practical expedient in estimating expected lifetime losses on trade receivables with similar credit risk characteristics using a provision matrix, taking into consideration historical observed default rates and forward-looking estimates. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Trade receivables as at December 31, 2023, 2024 and 2025 were generated from sale of robotic products, provision of robotic solutions and others to corporate customers. The Group generally grants credit period between 30 and 180 days which are agreed with each of its corporate customers. The extension of credit period to the customers may be granted on a discretionary basis by considering customer type, the current creditworthiness and the customer's financial condition and payment history with the Group.

As at December 31, 2023, 2024 and 2025, out of the past due balances, RMB9,846,000, RMB13,819,000 and RMB25,502,000, respectively, have been past due 90 days or more and are not considered as in default by considering the background of the debtors and historical payment arrangement.

Details of impairment assessment of trade receivables are set out in note 40.

Notes Receivables measured at FVTOCI

Notes received are primarily bank acceptance note and held by the Group for settlement of trade receivables, of which certain notes were further endorsed by the Group to suppliers to settle the trade payables. For those endorsed notes that did not transfer substantially all the risks and rewards of ownership, the Group continues to recognize their full carrying amounts at the end of each Track Record Period. As the notes receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, the notes receivables are measured at FVTOCI. All notes received by the Group are with a maturity period of less than one year.

The following were the Group's notes receivables as at each of the period end that were transferred to suppliers to settle the trade payables by endorsing on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognize the full carrying amount in notes receivables and trade payables.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of transferred assets	7,199	11,685	44,409
Carrying amount of associated liabilities	(7,199)	(11,685)	(44,409)
Net position	–	–	–

Details of impairment assessment of notes receivables are set out in note 40.

22. CONTRACT ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Warranty retention receivables	5,989	4,076	8,487
Less: allowance for credit losses	(228)	(250)	(420)
	5,761	3,826	8,067
Analyzed as:			
Current	5,761	3,826	8,067

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Warranty retention receivables	256	986	–
Less: allowance for credit losses	(10)	(60)	–
	246	926	–
Analyzed as:			
Current	246	926	–

As at January 1, 2023, contract assets of the Group and the Company, net of allowance for credit losses, amounted to RMB1,008,000 and RMB1,008,000, respectively.

Typical payment terms which impact on the amount of contract assets recognized are as follows:

The Group typically agrees to a retention period of 12 months (the warranty period) for 10% of the contract value for provision of robotic solutions. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditioned on expiration of the warranty period. Upon expiration of the warranty period, the amounts recognized as contract assets are reclassified to trade receivables.

Details of impairment assessment of contract assets are set out in note 40.

23. CONTRACT COSTS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Costs to fulfill contracts	22,601	51,451	16,569

Contract costs capitalized primarily comprise material cost and other related expenditures incurred prior to the recognition of revenue of the provision of robotic solutions.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments to suppliers and service providers	11,168	11,035	14,713
Prepayments for intangible assets	–	1,361	464
Rental and other deposits	3,204	4,086	3,248
Value added tax recoverable	3,891	3,333	6,773
Loans to directors *(Note 44)*	1,503	–	–
Deferred issue costs	–	–	1,831
Others	95	318	10
	19,861	20,133	27,039
Analyzed as:			
Non-current	2,225	3,698	1,028
Current	17,636	16,435	26,011
	19,861	20,133	27,039

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments to suppliers and service providers	2,742	831	777
Rental and other deposits	1,090	1,090	110
Value added tax recoverable	2,556	2,606	4,816
Loans to directors *(Note 44)*	1,503	–	–
Deferred issue costs	–	–	1,831
Others	69	53	–
	7,960	4,580	7,534
Analyzed as:			
Non-current	1,032	116	105
Current	6,928	4,464	7,429
	7,960	4,580	7,534

Details of impairment assessment of deposits and other receivables are set out in note 40.

25. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Structured deposits *(Note i)*	50,109	–	–
Wealth Management Products ("WMPs") *(Note ii)*	–	293,571	232,518
	50,109	293,571	232,518

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Structured deposits *(Note i)*	50,109	–	–
WMPs *(Note ii)*	–	293,571	212,476
	50,109	293,571	212,476

Notes:

(i) Structured deposits are deposit products provided by the commercial banks where the yield upon maturity is linked to indicators of commodities.

(ii) WMPs are products provided by the commercial banks that mainly invest in fixed income assets such as bonds.

Structured deposits and WMPs are classified as current as the management expects to realize these financial assets within twelve months after the reporting period.

Details of the fair value measurements are set out in note 41.

26. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents *(Note i)*	451,410	21,811	14,801
Restricted bank deposits *(Note ii)*	–	1,778	1,918
	451,410	23,589	16,719

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents *(Note i)*	420,466	12,417	587
Restricted bank deposits *(Note ii)*	–	8	8
	420,466	12,425	595

Notes:

i. Cash and cash equivalents of the Group and the Company comprise bank balances. Bank balances carried interest at prevailing market rates based on daily bank deposit rate during the Track Record Period. As at December 31, 2023, 2024 and 2025, the interest rate of these bank balances ranged from 0.05% to 0.20%, from 0.05% to 0.10% and from 0.05% to 0.25% per annum, respectively.

ii. Restricted bank deposits represent bank balances that are placed in restricted bank accounts for security deposit of certain customer projects. As at December 31, 2024 and 2025, the interest rates of such balances were from 0.10% to 1.30% and from 0.05% to 1.30% per annum, respectively. These restricted bank deposits were expected to be released within one year and classified as current assets.

Details of impairment assessment of cash and cash equivalent and restricted bank deposits are set out in note 40.

27. TERM DEPOSITS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Term deposits	63,437	85,707	256,125
Analyzed as:			
Non-current	63,437	30,627	121,523
Current	–	55,080	134,602
	63,437	85,707	256,125

Term deposits of the Group carry interest at fixed rates. As at December 31, 2023, 2024 and 2025, the interest rate of these term deposits ranged from 3.10% to 3.51%, from 2.60% to 3.51% and from 2.15% to 3.51% per annum, respectively.

Details of impairment assessment of term deposits are set out in note 40.

28. TRADE PAYABLES

Trade payables are majority with a credit term of 30 to 90 days.

The Group

An aged analysis of the Group's trade payables, as at the end of each reporting period, based on the invoice date, is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	70,756	101,067	240,600
1-2 years	22,261	7,285	6,819
2-3 years	5,974	4,771	3,242
Over 3 years	695	2,115	1,130
Total	99,686	115,238	251,791

The Company

An aged analysis of the Company's trade payables, as at the end of the reporting period, based on the invoice date, is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	44	13,663	6,059
1-2 years	219	44	1,294
2-3 years	74	7	43
Over 3 years	42	46	11
Total	379	13,760	7,407

29. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Accrued salaries and welfare payables	13,094	14,971	22,133
Purchase of property, plant and equipment	94,861	11,513	18,330
Warranty provision *(Note i)*	4,258	5,154	6,707
Other tax payables	3,240	4,109	4,169
Refundable deposits	712	709	1,158
Refundable liability to a non-controlling shareholder *(Note ii)*	10,000	–	–
Accrued [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Accrued issue costs	–	–	600
Others	1,647	3,577	1,103
	127,812	40,033	56,609
Analyzed as:			
Non-current	10,000	–	–
Current	117,812	40,033	56,609

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Accrued salaries and welfare payables	727	1,110	188
Other tax payables	135	1,478	480
Refundable deposits	485	125	80
Accrued [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Accrued issue costs	–	–	600
Others	798	2,216	264
	2,145	4,929	4,021
Analyzed as:			
Current	2,145	4,929	4,021

Notes:

i. The Group generally provides warranties of 12 months to its customers on certain of its robotic products and solutions for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties represents management's best estimate, based on sales volumes and historical experience of the level of repairs and returns and is updated at each reporting period.

Movements in the carrying amount of the warranty provision in the Track Record Period were as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	4,115	4,258	5,154
Additional provision	4,243	5,128	6,707
Utilization of provision	(4,100)	(4,232)	(5,154)
At end of the year	4,258	5,154	6,707

ii. In 2021, the Group's subsidiary Rokae Shandong entered into an investment agreement with Jining Huida Technical Renovation Enterprise Management Partnership (Limited Partnership) (濟寧惠達技改企業管理合夥企業(有限合夥), "Huida Jigai"), an entity controlled by the Shandong Provincial People's Government. Pursuant to the agreement, Huida Jigai invested RMB10 million in Rokae Shandong, with an obligation of Rokae Shandong of repayment of the principal and interests due in five years. No interest shall be paid if the amount was fully repaid within three years.

The Group repaid the principal of RMB10 million during the year ended December 31, 2024 without paying any interest. The investment was initially treated as an interest-free government loan and recorded as a financial liability by the Group, with finance costs and government grant income recognized at a market-rate of interest during the years ended December 31, 2023 and 2024.

30. LEASE LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	2,468	1,860	1,773
Within a period of more than one year but not exceeding two years	248	1,650	983
Within a period of more than two years but not exceeding three years	249	1,008	–
Within a period of more than three years but not exceeding four years	213	–	–
	3,178	4,518	2,756
Less: Amounts due for settlement within twelve months shown under current liabilities	(2,468)	(1,860)	(1,773)
Amounts due for settlement after twelve months shown under non-current liabilities	710	2,658	983

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	215	–	–
		–	–
Less: Amounts due for settlement within twelve months shown under current liabilities	(215)	–	–
		–	–
Amounts due for settlement after twelve months shown under non-current liabilities	–	–	–
		–	–

As at December 31, 2023 and 2024 and 2025, the incremental annual borrowing rates applied to lease liabilities of the Group ranged from 1.45% to 4.75%, from 1.45% to 4.75% and from 1.45% to 4.75%, respectively. As at December 31, 2023, the incremental annual borrowing rates applied to lease liabilities of the Company was 4.75%.

31. BORROWINGS

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank borrowings – unsecured and guaranteed *(Note i)*	14,952	–	–
Bank loans under supplier finance arrangements – unsecured and guaranteed *(Note i and ii)*	–	23,983	–
Bank loans under supplier finance arrangements – unsecured and unguaranteed *(Note i and ii)*	–	–	34,046
	14,952	23,983	34,046

Notes:

As at the end of the reporting period, the Group has the following borrowing facilities:

(i) All borrowings are within one year shown under current liabilities, bearing the fixed interest ranged from 2.37% to 2.95% per annum.

As at December 31, 2023 and 2024, all borrowings utilized the credit facility granted by China Merchants Bank Co., Ltd. ("CMB") and guaranteed by Mr. Tuo Hua. Detail information is set out in Note 44.

As at December 31, 2025, all borrowings utilized the unsecured and unguaranteed credit facility granted by CMB.

(ii) The Group has entered into certain supplier finance arrangements with banks. Under these arrangements, the banks pay suppliers the amounts owed by the Group in advance of the original due dates at a discount offered by the suppliers. The Group's obligations to suppliers are legally extinguished on settlement by the relevant banks. The Group then settles with the banks within one year after banks' settlement with the original amount payable to the suppliers. All bank loans under supplier finance arrangements are within one year shown under current liabilities, bearing nil interest, and utilized the credit facility disclosed in note (i).

32. DEFERRED INCOME

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	15,739	9,430	22,092
Government grants received	2,713	19,581	12,383
Credit to profit or loss	(9,022)	(6,919)	(12,449)
At end of the year	9,430	22,092	22,026

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	3,761	3,343	8,413
Government grants received	2,713	10,420	712
Credit to profit or loss	(3,131)	(5,350)	(4,900)
At end of the year	3,343	8,413	4,225

The Group and the Company mainly received government grants in relation to certain government sponsored research and development projects for front-end technologies. The government grants were recorded as deferred income before the completion and acceptance by the government of the related research and development projects. Upon completion of the government sponsored research and development projects and accepted by the government, deferred income will be recognized in the statements of profit or loss in "other income".

33. CONTRACT LIABILITIES

Contract liabilities represent the Group's and the Company's obligation to transfer goods or services to a customer for which the Group and the Company have received consideration from the customer before the performance obligation is satisfied. These amounts are recognized as revenue when the Group satisfies the performance obligation by transferring the promised goods or services.

All contract liabilities of the Group and the Company are classified as current as they are expected to be settled within the Group's and the Company's normal operating cycle.

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sales of robotic products	6,364	5,607	8,828
Provision of robotic solutions	7,964	14,669	1,546
	14,328	20,276	10,374

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sales of robotic products	1,158	634	659
	1,158	634	659

As at January 1, 2023, contract liabilities of the Group and the Company amounted to RMB14,938,000 and RMB2,492,000, respectively.

Revenue of the Group recognized during the years ended December 31, 2023, 2024 and 2025 that was previously included in the contract liabilities balance as at the beginning of each year amounted to RMB12,450,000, RMB14,328,000 and RMB20,276,000, respectively.

34. REDEMPTION LIABILITIES

The Group and the Company

Since the date of its incorporation, the Company has completed several rounds of financing through issuing shares with certain preferred rights, mainly including redemption rights, anti-dilution rights and liquidation preference rights including series angel, series A1, series A2, series A+, series B, series C, series C+, strategic series, strategic+ series and [**REDACTED**] series, each leading to an increase in the capital of the Company. The details of these financing are set out below:

Series	Date of issuance	Issue price per share	Issued shares	Total consideration
		(Note i) *RMB*	*(Note i)*	*RMB'000*
Series angel	May 2015	2.48	764,690	1,900
Series A1	May 2016	4.75	410,470	1,950
Series A2	July 2016	12.18	820,939	10,000
Series A+	October 2017	24.36	1,641,879	40,000
Series B *(Note ii)*	July 2018 to January 2019	58.81	2,720,830	160,000
Series C *(Note ii)*	August 2020 to November 2020	66.33	1,507,674	100,000
Series C+ *(Note ii)*	June 2021	92.98	967,928	90,000
Strategic series	February 2022	167.08	1,660,333	277,415
Strategic+ series	July 2023	173.33	576,923	100,000
	December 2023	173.33	2,307,692	400,000
	December 2024	173.33	490,385	85,000
[**REDACTED**] series	June 2025	221.83	879,044	195,000
Total			14,748,787	1,461,265

Notes:

i. As aforesaid, the Company was converted into a joint stock limited liability company and issued approximately 8,433,974 shares without redemption rights and remaining 14,066,026 shares with redemption rights with the par value of RMB1 each on December 9, 2024. The issued shares and the shares for calculating issue price per share during the Track Record Period has been determined on the assumptions that the Company's conversion into joint stock limited liability company had been completed on/effective since incorporation of the Company.

ii. Certain series B shares, series C shares, and series C+ shares transferred from the founders were not included in the above table. Before the Track Record Period, certain ordinary shares amounting to 686,668 shares were transferred from founders to other investors, and the terms attached to these ordinary shares were modified and these shares were with preferred rights after the modification.

The details of financing undertaken in the Track Record Period are as follows.

Issuance of strategic+ series investment ("Strategic+ Series Investment")

In May 2023, the Company entered into an investment agreement with a strategic+ series investor, pursuant to which the Company issued 238,504 shares (equivalent to 576,923 shares after conversion into a joint stock limited liability company), to the strategic series investor, at a consideration of RMB100,000,000.

In December 2023, the Company entered into an investment agreement with a strategic+ series investor, pursuant to which the Company issued and allotted 954,016 shares (equivalent to 2,307,692 shares after conversion into a joint stock limited liability company), to the strategic series investor, at a consideration of RMB400,000,000.

In December 2024, the Company entered into an agreement with Shandong Zhengfang, pursuant to which the Company issued 490,385 shares of the Company with redemption rights at a consideration of RMB85,000,000 to partially settle the Group's construction payables to Shandong Zhengfang (Note 16).

Issuance of* [REDACTED] *investment ("*[REDACTED] *Series Investment")

In June 2025, the Company entered into an investment agreement with a [**REDACTED**] series investor, pursuant to which the Company issued 879,044 shares to the [**REDACTED**] series investor, at a consideration of RMB195,000,000.

Key terms of preferred rights granted

(i) Redemption right

Certain series angel, series A1, series A2, series A+, series B, series C, series C+, strategic series, strategic+ series, [**REDACTED**] series investors have rights to require the Company to redeem their investments if:

(a) The Company fails to achieve a qualified [**REDACTED**] ("[**REDACTED**]"), which means that the Company's shares be [**REDACTED**] on a well-known stock exchange (including but not limited to Shanghai Stock Exchange, Shenzhen Stock Exchange, the New York Stock Exchange, Nasdaq or the Hong Kong Stock Exchange) before December 31, 2027;

(b) The founders or the Company violate the agreements in the investment transaction documents (including but not limited to the representations and warranties, post-closing obligations, etc.) or the provisions of laws and regulations, and fail to effectively resolve or remedy the violation within a reasonable period as required by the [**REDACTED**] series investors (such period shall be no less than thirty (30) business days);

(c) The Company has other material legal or financial defects that prevent it from completing the [**REDACTED**]; or

(d) Any other investor requests to exercise the investor's redemption right.

Pursuant to the [**REDACTED**] agreements, these preferred rights will be automatically suspended upon the Company's submission of the [**REDACTED**] document, and shall be immediately and automatically reinstated and shall be deemed to have never been terminated if any of the following occurs after the date of automatic termination:

(a) the Company's [**REDACTED**] application is rejected or the Company's [**REDACTED**] application materials are withdrawn;

(b) within 18 months after submitting the [**REDACTED**] application materials, the Company fails to complete the [**REDACTED**];

(c) a major obstacle occurs causing the Company to essentially fail to meet the relevant conditions for [**REDACTED**]; or

(d) the Company fails to complete the [**REDACTED**] within 12 months after receiving the [**REDACTED**] registration approval document.

The redemption amount is the total amount paid by the investors to obtain the equity interest of the Company, plus an annual simple interest rate of 8% for a period of time commencing from investment completion dates stated in the contracts to the date triggering redemption, reduce the dividends (if any) declared and paid to these the investors.

(ii) Anti-dilution right

If the Company increases its share at a price lower than the price paid by the anti-dilution right holders on a per share basis, the anti-dilution right holders have the right to require: (1) the founders to transfer the equity interests of the Company they directly or indirectly held to the anti-dilution right holders at the lowest price allowed by the law; or (2) the Company to issue new share for nominal consideration to the anti-dilution right holders; or (3) the Company or the founders to compensate the investors in cash.

(iii) Liquidation preference right

In the event of any liquidation of the Company, the investors of the Company are entitled to receive, prior and in preference to liquidation preference amount in order of priority as specified in relevant shareholder agreements. The liquidation amount is the total amount paid by the investors to obtain the equity interest of the Company, plus the declared but unpaid dividends, reduce the dividends (if any) declared and paid by the Company.

After the liquidation preference amounts of all investors of the Company are fully paid, any remaining the assets or surplus funds of the Company available for distribution among shareholders will be distributed among all shareholders in proportion to their shareholdings.

Presentation and classification

The anti-dilution right is a derivative financial instrument measured at FVTPL, of which the fair value is considered close to nil as the Directors of the Company expected the possibility of a new round of lower price financing was remote before the Company's successful [**REDACTED**].

The redemption rights granted to the investors constitute as the Company's obligations to repurchase its own equity instruments. These obligations were recognized as redemption liabilities which are initially measured at fair value and subsequently measured at amortized cost. The redemption liabilities are analyzed as non-current liabilities as the Company have the right at each reporting date to defer settlement of the liabilities for at least twelve months after that date.

The movements of redemption liabilities during the Track Record Period are set out below:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	922,264	1,476,554	1,661,491
Recognition	500,000	85,000	195,000
Charged to finance costs	68,209	99,937	122,284
Modification of redemption liabilities *(Note i)*	(13,919)	–	–
Transfer from ordinary shares *(Note ii)*	–	–	55,000
At the end of the year	1,476,554	1,661,491	2,033,775

Notes:

i. During the year ended December 31, 2023, along with the grant of redemption rights in Strategic+ Series Investment, the exercise date of the redemption rights of existing investors was deferred from August 24, 2025 to December 31, 2027 pursuant to the renewed shareholders' investments agreements. The deferral of the above redemption right terms was considered as a substantial modification which resulted in the derecognition of the original financial liabilities and recognition of new financial liabilities. The gain resulted from the differences between the carrying amount of financial liabilities derecognized and the fair value of the new financial liabilities amounting to RMB13,919,000 was recognized in other gains and losses according to HKFRS 9.

ii. During the year ended December 31, 2025, Mr. Tuo Hua and certain employees with vested RSUs transferred 526,863 ordinary shares to new investors. The terms attached to these ordinary shares were modified with preferred rights granted to these new investors which are the same as the key term summary above stated. Upon the completion of the transfer, the redemption liabilities were initially recognized at fair value of RMB55,000,000 and the same amount to the capital and other reserve were recognized. The redemption liabilities were subsequently measured at amortized cost.

35. SHARE-BASED PAYMENTS

The Group and the Company

The Group approved and adopted the share award scheme for certain employees of the Group ("Share Award Participants") in order to recognize the contributions of the Share Award Participants to the growth and development of the Group and incentivize them to further promote the development of the Group.

In order to implement the share award scheme, Ruluo Brothers LP (鄒城如珞兄弟企業管理諮詢合夥企業(有限合夥)) ("Ruluo Brothers") and Luoshi Brothers LP (鄒城珞石兄弟管理諮詢合夥企業(有限合夥)) ("Luoshi Brothers"), collectively as "Employee Incentive Platforms", were established and designated as share incentive platforms to hold the shares reserved for the eligible participants as the ultimate beneficial owners. The Group has no control over the Employee Incentive Platforms.

From the inception date of the Company to August 2025, the Company continually granted RSUs to certain eligible employees under 2018 share incentive plan, 2020 share incentive plan, 2022 share incentive plan, 2023 share incentive plan and 2025 share incentive plan, collectively as "Share Incentive Plans".

The Share Award Participants were granted the restricted partnership units of the Employee Incentive Platforms and each of the restricted partnership unit represents a corresponding number of RSUs of the Company. Upon becoming the limited partner of the Employee Incentive Platforms, the Share Award Participants indirectly receive economic interest in the corresponding number of underlying shares of the Company held by the Employee Incentive Platforms. The fair value of the RSUs at grant dates were determined with reference to valuation carried out by an independent qualified professional valuer, AVISTA Valuation Advisory. The address of AVISTA Valuation Advisory is Suites 2401-06, 24/F, Everbright Centre, No 108 Gloucester Road, Wan Chai, Hong Kong.

RSUs generally vest over a four-year period starting from the date specified in each agreement. The RSUs will vest in accordance with the vesting schedules set out in the respective share award agreements with vesting period subject to the longer of (i) 1 to 4 years or (ii) the completion of 3 years of continuous service since joined the Group. In addition to the above service condition, certain RSUs also include performance vesting condition which is contingent on the completion of a [**REDACTED**] and service condition of 36 months of continuous service upon a [**REDACTED**].

(i) Share Incentive Plans

The following table discloses movements of the Company's RSUs held by Share Award Participants during the Track Record Period:

	Number of shares*	Weighted average grant date fair value per RSU*
		RMB
RSU outstanding as at January 1, 2023	665,501	27.17
Granted	148,290	45.61
Vested	(328,727)	21.70
Forfeited	(31,684)	39.81
RSUs outstanding as at December 31, 2023	453,380	36.29
Vested	(158,442)	21.70
Forfeited	(71,197)	41.93
RSUs outstanding as at December 31, 2024	223,741	44.83
Granted	466,243	106.15
Forfeited	(24,978)	55.92
RSUs outstanding as at December 31, 2025	665,006	87.40

*: The shares and the shares for calculating the fair value per RSU during the Track Record Period has been determined on the assumptions that the Company's conversion into joint stock limited liability company had been completed on/effective since incorporation of the Company.

As the vesting of certain RSUs is contingent on a [**REDACTED**] and the employee being granted of the RSUs shall remain employment with the Group during the vesting period, in the opinion of the Directors, no share-based payment expense shall be recognized unless and until the [**REDACTED**] is probable.

The Group recognized the total expense of RMB1,847,000, RMB467,000 and nil for the year ended December 31, 2023, 2024 and 2025, respectively, in relation to RSUs granted by the Company.

In addition, during the year ended December 31, 2024, Mr. Tuo Hua, the founder of the Group repurchased certain shares from another shareholder of the Company, for a total consideration of RMB26,000,000. The Company recorded RMB18,884,000 as a one-off share-based payment expense for the year ended December 31, 2024, which represent the excess of the fair value of shares at repurchase date over the repurchase price.

(ii) Valuation

The Company has adopted the back-solve method and option-pricing method to determine the fair value of the underlying equity of the Company. Key inputs are set out below:

	For the year ended December 31,		
Fair value assumptions	**2023**	**2024**	**2025**
Grant date/Measurement date	August 2023/ December 2023	December 2024	February 2025/ August 2025
Fair value of the underlying shares	45.61	98.82	98.82/124.49
Subscribe price of per RSU *(Note i)*	7.43	7.44	7.44/9.52
Discount for lack of marketability *(Note ii)*	22%	19%	19%/16%
Risk-free interest rate *(Note iii)*	2.27%	1.19%	1.19%/1.50%

Notes:

i. The subscribe price of the RSUs was determined by the founder and agreed within Share Award Participants.

ii. The discount for lack of marketability was estimated based on the Finnerty model.

iii. Risk-free interest rate is estimated based on market yield of Chinese Government Bonds with maturity date close to the forecasted dates.

36. PAID-IN CAPITAL/SHARE CAPITAL

Paid-in Capital

To the Historical Financial Information, the paid-in capital of the Group represents the paid-in capital of the Company before it was converted into joint stock limited liability company with limited liability.

	Paid-in capital
	RMB'000
As at January 1, 2023	7,756
Issue shares for strategic+ series investments *(Note i)*	1,192
As at December 31, 2023	8,948
Capital injection from a share award scheme platform	353
Conversion into joint stock limited liability company	(9,301)
As at December 31 2024	–

Share capital

A summary of movements in the Company's authorized, issued and fully paid share capital is as follows:

	Number of ordinary shares	Number of shares with redemption rights	Total shares	Total
				RMB'000
Ordinary shares of RMB1 each				
As at January 1, 2024	–	–	–	–
Issue of shares upon conversion into a joint stock limited liability company	8,433,974	14,066,026	22,500,000	22,500
Issue shares for strategic+ series investments *(Note ii)*	–	490,385	490,385	490
As at December 31 2024	8,433,974	14,556,411	22,990,385	22,990
Transfer from ordinary shares to shares with redemption rights *(Note 34)*	(526,863)	526,863	–	–
Issue shares for [**REDACTED**] series investments *(Note iii)*	–	879,044	879,044	879
As at December 31, 2025	7,907,111	15,962,318	23,869,429	23,869

Notes:

i. During the year ended December 31, 2023, the Company completed strategic+ series financing, with RMB500,000,000 invested into the Company, among which RMB1,192,000 was credited to the Company's paid-in capital and the remaining balance was credited as capital and other reserve.

ii. During the year ended December 31, 2024, the Company completed strategic+ series financing with Shandong Zhengfang, with RMB85,000,000 payables to Shandong Zhengfang converted into consideration for issuing strategic+ series shares, among which RMB490,000 was credited to the Company's share capital and the remaining balance was credited as capital and other reserve.

iii. During the year ended December 31, 2025, the Company completed [**REDACTED**] series financing, with RMB195,000,000 invested into the Company, among which RMB879,000 was credited to the Company's share capital and the remaining balance was credited as capital and other reserve.

On September 16, 2025, it was resolved in the Company's shareholders' meeting that each share of the Company with nominal value of RMB1.00 will be subdivided into ten shares with nominal value of RMB0.10 each immediately prior to the initial listing of the shares of the Company on the Main Board of the Stock Exchange of Hong Kong Limited. Upon completion of such share subdivision, the share capital of the Company, which is RMB23,869,000, will be divided into 238,694,290 shares with nominal value of RMB0.1 per share.

37. RESERVES OF THE COMPANY

Below is a table showing the movements of the reserves of the Company during the Track Record Period:

	Capital and other reserve	Accumulated losses	Total
	RMB'000 (Note)	*RMB'000*	*RMB'000*
As at January 1, 2023	(33,391)	(518,931)	(552,322)
Loss and total comprehensive expense for the year	–	(101,060)	(101,060)
Share-based payments	1,847	–	1,847
Issue shares for strategic+ series investments *(Note 34)*	498,808	–	498,808
Recognition of redemption liabilities for the redemption rights newly granted to strategic+ series investors *(Note 34)*	(500,000)	–	(500,000)
As at December 31, 2023	(32,736)	(619,991)	(652,727)
Loss and total comprehensive expense for the year	–	(150,782)	(150,782)
Share-based payments	19,351	–	19,351
Conversion into a joint stock limited liability company	(444,377)	431,178	(13,199)
Issue shares for strategic+ series investments *(Note 34)*	84,510	–	84,510
Recognition of redemption liabilities for the redemption rights newly granted to strategic+ series investors *(Note 34)*	(85,000)	–	(85,000)
As at December 31, 2024	(458,252)	(339,595)	(797,847)
Loss and total comprehensive expense for the year	–	(151,716)	(151,716)
Issue shares for [**REDACTED**] series investments *(Note 34)*	194,121	–	194,121
Recognition of redemption liabilities for the redemption rights newly granted to [**REDACTED**] series investors *(Note 34)*	(195,000)	–	(195,000)
Modification of certain ordinary shares *(Note 34)*	(55,000)	–	(55,000)
As at December 31, 2025	(514,131)	(491,311)	(1,005,442)

Note: Capital and other reserve includes share premium, share-based payments reserve and other reserve.

38. RETIREMENT BENEFIT SCHEMES

The Group participates in defined contribution retirement schemes organized by the relevant local government authorities in the PRC. Employees of the Group eligible for participating in the retirement schemes are entitled to retirement benefits from the schemes. The Group is required to make contributions to the retirement schemes up to the time of retirement of the eligible employees, excluding those employees who resign before their retirement, at a percentage that is specified by the local government authorities.

The total expense recognized in profit or loss of approximately RMB10,252,000, RMB10,467,000 and RMB12,684,000 for the years ended December 31, 2023, 2024 and 2025, respectively, representing contributions paid/payable to retirement schemes by the Group at rates specified in the rules of the plans.

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows from financing activities:

			Non-cash changes				
	At January 1, 2023	Financing cash flows	Interest accruals	Lease liabilities recognized	Lease termination	Modification expenses	At December 31, 2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings *(Note 31)*	–	14,186	766	–	–	–	14,952
Lease liabilities *(Note 30)*	10,175	(6,641)	351	1,133	(1,840)	–	3,178
Redemption liabilities *(Note 34)*	922,264	500,000	68,209	–	–	(13,919)	1,476,554
	932,439	507,545	69,326	1,133	(1,840)	(13,919)	1,494,684

	At January 1, 2024	Financing cash flows	Non-cash changes: Interest accruals	Non-cash changes: Lease liabilities recognized	Non-cash changes: Lease termination	Non-cash changes: Others	At December 31, 2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (note i, ii)*	*RMB'000*
Borrowings *(Note 31)*	14,952	(15,137)	185	–	–	23,983	23,983
Lease liabilities *(Note 30)*	3,178	(2,620)	126	4,113	(279)	–	4,518
Redemption liabilities *(Note 34)*	1,476,554	–	99,937	–	–	85,000	1,661,491
	1,494,684	(17,757)	100,248	4,113	(279)	108,983	1,689,992

	At January 1, 2025	Financing cash flows	Non-cash changes: Interest accruals	Non-cash changes: Deferred issue costs	Non-cash changes: Modification	Non-cash changes: Others	At December 31, 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (note i)*	*RMB'000*
Accrued issue costs *(Note 29)*	–	(1,231)	–	1,831	–	–	600
Borrowings *(Note 31)*	23,983	–	–	–	–	10,063	34,046
Lease liabilities *(Note 30)*	4,518	(1,966)	204	–	–	–	2,756
Redemption liabilities *(Note 34)*	1,661,491	195,000	122,284	–	55,000	–	2,033,775
	1,689,992	191,803	122,488	1,831	55,000	10,063	2,071,177

Notes:

i. As disclosed in Note 31, the Group entered into certain supplier finance arrangements with banks during the Track Recording Period. Under these arrangements, the new borrowing recognized by the Group were non-cash transactions as the banks paid the amounts directly to Group's suppliers.

ii. As disclosed in Note 34, the Company issued shares with redemption rights to settle certain construction payables which did not have cash flow impact to the Group.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of the financial instruments

The Group

	As at December 31, 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets:			
Financial assets at FVTPL	50,109	293,571	232,518
Financial assets at FVTOCI – Notes receivables	10,236	24,149	59,203
Financial assets at amortized cost:			
– Trade receivables, net of allowance	116,551	206,354	266,823
– Deposits and other receivables	4,707	4,086	3,248
– Term deposits	63,437	85,707	256,125
– Restricted bank deposits	–	1,778	1,918
– Cash and cash equivalents	451,410	21,811	14,801
	696,450	637,456	834,636
Financial liabilities:			
Financial liabilities at amortized cost:			
– Trade payables	99,686	115,238	251,791
– Other payables	107,220	15,799	23,600
– Borrowings	14,952	23,983	34,046
– Redemption liabilities	1,476,554	1,661,491	2,033,775
	1,698,412	1,816,511	2,343,212

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets:			
Financial assets at FVTPL	50,109	293,571	212,476
Financial assets at FVTOCI			
– Notes receivables	7,402	10,419	19,513
Financial assets at amortized cost:			
– Trade receivables, net of allowance	53,756	72,368	56,069
– Deposits and other receivables	2,593	1,090	110
– Amounts due from subsidiaries	230,930	424,334	716,895
– Restricted bank deposits	–	8	8
– Cash and cash equivalents	420,466	12,417	587
	765,256	814,207	1,005,658
Financial liabilities:			
Financial liabilities at amortized cost:			
– Trade payables	379	13,760	7,407
– Other payables	1,283	2,341	3,353
– Amounts due to subsidiaries	4,478	6,385	40,081
– Borrowings	14,952	23,983	34,046
– Redemption liabilities	1,476,554	1,661,491	2,033,775
	1,497,646	1,707,960	2,118,662

Financial risk management objectives and policies

The Group's and the Company's major financial instruments include financial assets at FVTPL, trade receivables, notes receivables measured at FVTOCI, deposits and other receivables, term deposits, restricted bank deposits, cash and cash equivalents, amounts due from subsidiaries, trade payables, other payables, lease liabilities, borrowings, amounts due to subsidiaries as well as redemption liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group and the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency Risk

As at the end of each reporting period, the Group had the following monetary assets denominated in currencies other than RMB, primary generated from the oversea sells of the Group.

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Assets in USD	16,836	15,376	7,249
Assets in EUR	1,161	9,907	2,656
Liabilities in USD	329	199	1,405
Liabilities in EUR	623	1,866	2,313

Sensitivity analysis:

The Group were primarily subject to foreign currency risk from the movements of the exchange rates between RMB against USD and EUR. At the end of each reporting period, if the exchange rate of RMB had been weaken against USD or EUR by 5% and all other variables were held constant, the Group's post-tax loss for each reporting period would increase as follows. For a 5% strengthening of RMB against USD or EUR, there would be an opposite impact on the post-tax loss for the year.

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
USD	619	569	219
EUR	20	302	13
	639	871	232

Interest rate risk

The Group and the Company are exposed to fair value interest rate risk in relation to restricted bank deposits (Note 26), term deposits with fixed interest rate (Note 27), lease liabilities (Note 30), redemption liabilities (Note 34), borrowings with fixed interest rates (Note 31). The Group and the company's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The management of the Group and the Company manages the interest rate risk by maintaining a balanced portfolio of fixed rate and floating rate bank balances. The Group and the Company manage its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

No sensitivity analysis on interest rate risk is presented as the Directors consider the sensitivity on interest rate risk on variable-rate bank balances is insignificant.

Other price risk

The Group and the Company are exposed to other price risk through investments in financial assets measured at FVTPL. The management of the Group and the Company considers the fluctuation in fair value changes on structured deposits and WMPs was insignificant, taking into account the short-term duration of such financial products and the underlying assets which are debt instruments and cash and cash equivalents.

Credit risk

The Group's and the Company's trade receivables are due from a large number of customers, therefore the Group and the Company have no material concentration of credit risk as at December 31, 2023, 2024 and 2025. The Directors closely monitor the subsequent settlement of the trade receivables.

The Group and the Company's maximum exposure to credit risk which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position (including trade and notes receivables, amounts due from subsidiaries, deposits and other receivables, restricted bank deposits, term deposits and cash and cash equivalents) and contract assets.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have past-due amounts or the counterparty frequently repays after due dates but usually settle the amounts in full	Lifetime ECL -not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL -not credit-impaired	Lifetime ECL -not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL -credit-impaired	Lifetime ECL -credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The Group

	Notes	Internal credit ratings	12m or lifetime ECL	Gross carrying amount As at December 31, 2023	2024	2025
				RMB'000	*RMB'000*	*RMB'000*
Financial assets at FVTOCI						
Notes receivables	*21*	Low risk	12m ECL	10,236	24,149	59,203
Financial assets at amortized cost						
Trade receivables	*21*	Low risk	Lifetime ECL (not credit-impaired)	125,841	234,677	296,522
		Loss	Lifetime ECL (credit-impaired)	1,734	2,428	5,336
Contract assets	*22*	Low risk	Lifetime ECL (not credit-impaired)	5,989	4,076	8,487
Deposits and other receivables	*24*	Low risk	12m ECL	4,707	4,086	3,248
		Loss	Lifetime ECL (credit-impaired)	3,000	3,000	3,000
Cash and cash equivalents	*26*	Low risk	12m ECL	451,410	21,811	14,801
Restricted bank deposits	*26*	Low risk	12m ECL	–	1,778	1,918
Term deposits	*27*	Low risk	12m ECL	63,437	85,707	256,125
Total				666,354	381,712	648,640

The Company

	Notes	Internal credit ratings	12m or lifetime ECL	Gross carrying amount As at December 31, 2023	2024	2025
				RMB'000	*RMB'000*	*RMB'000*
Financial assets at FVTOCI						
Notes receivables	*21*	Low risk	12m ECL	7,402	10,419	19,513
Financial assets at amortized cost						
Trade receivables	*21*	Low risk	Lifetime ECL (not credit-impaired)	57,077	81,787	66,542
		Loss	Lifetime ECL (credit-impaired)	789	827	1,317
Contract assets	*22*	Low risk	Lifetime ECL (not credit-impaired)	256	986	–
Deposits and other receivables	*24*	Low risk	12m ECL	2,593	1,090	110
Cash and cash equivalents	*26*	Low risk	12m ECL	420,466	12,417	587
Restricted bank deposits	*26*	Low risk	12m ECL	–	8	8
Amounts due from subsidiaries	*44*	Low risk	12m ECL	230,930	424,334	716,895
Total				719,513	531,868	804,972

Restricted bank deposits, cash and cash equivalents and term deposits

The management of the Group and the Company considers term deposits, restricted bank deposits and cash and cash equivalents that are primarily deposited with state-owned or high-credit-rating large banks to be low credit risk financial assets. The Directors of the Group and the Company considers the probability of default is negligible on the basis of high-credit-rating issuers as at December 31, 2023, 2024 and 2025, and accordingly, no ECL was recognized as at December 31, 2023, 2024 and 2025.

In determining the credit risk for financial assets at FVTPL, the management of the Group and the Company considers the issuers of structured deposits as well as WMPs are with high credit rating and no past due history, therefore the credit risk of financial products issued by banks and other financial institutes is estimated to be low.

Trade and notes receivables, and contract assets

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The Group only accepts bills issued or guaranteed by reputable PRC banks or companies if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed or discounted bills is insignificant.

For trade receivables and contract assets arising from contract from customers, the Group and the Company have applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors credit-impaired, the Group and the Company determine the ECL on these items by using a provision matrix-debtors aging, based on shared credit risk characteristics by reference to repayment histories. The provision rates applied is estimated using the historical observed default rates of the debtors taking into consideration forward-looking information that is reasonably and supportably available without undue costs or effort. At the end of each of the reporting period, these historical loss rates are reassessed and updated if required after considering the forward-looking information then available to the Directors.

The Group performs impairment assessment under ECL model on trade receivables with credit-impaired individually. Except for items that are subject to individual evaluation, which are assessed for impairment individually, for the each of the Track Record Period end, the Group's trade receivables amounting to RMB1,734,000, RMB2,428,000 and RMB5,336,000 are credit impaired with full provision provided, respectively. The Company's trade receivables amounting to RMB789,000, RMB827,000 and RMB1,317,000 are credit impaired with full provision provided, respectively. The remaining trade receivables and contract assets, the Group and the Company use debtors' aging to assess the impairment for its customers in relation to its operation because these customers with common risk characteristics are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix within lifetime ECL.

The Group

	As at December 31, 2023		
	Average loss rate	Gross carrying amount	Impairment loss allowance
		RMB'000	*RMB'000*
Within one year	3.80%	105,891	(4,025)
1-2 years	19.29%	15,020	(2,897)
2-3 years	37.71%	4,113	(1,551)
Over 3 years	100.00%	817	(817)
		125,841	(9,290)

	As at December 31, 2024		
	Average loss rate	Gross carrying amount	Impairment loss allowance
		RMB'000	*RMB'000*
Within one year	6.11%	178,250	(10,898)
1-2 years	24.19%	46,952	(11,359)
2-3 years	48.91%	6,673	(3,264)
Over 3 years	100.00%	2,802	(2,802)
		234,677	(28,323)

	As at December 31, 2025		
	Average loss rate	Gross carrying amount	Impairment loss allowance
		RMB'000	*RMB'000*
Within one year	4.99%	236,995	(11,828)
1-2 years	19.87%	42,246	(8,394)
2-3 years	42.73%	13,627	(5,823)
Over 3 years	100.00%	3,654	(3,654)
		296,522	(29,699)

The Company

	As at December 31, 2023		
	Average loss rate	Gross carrying amount	Impairment loss allowance
		RMB'000	*RMB'000*
Within one year	3.80%	50,260	(1,910)
1-2 years	19.29%	6,295	(1,214)
2-3 years	37.71%	522	(197)
		57,077	(3,321)

	As at December 31, 2024		
	Average loss rate	Gross carrying amount	Impairment loss allowance
		RMB'000	*RMB'000*
Within one year	6.11%	63,155	(3,862)
1-2 years	24.19%	15,440	(3,735)
2-3 years	48.91%	2,682	(1,312)
Over 3 years	100.00%	510	(510)
		81,787	(9,419)

	As at December 31, 2025		
	Average loss rate	Gross carrying amount	Impairment loss allowance
		RMB'000	*RMB'000*
Within one year	4.94%	36,252	(1,792)
1-2 years	19.87%	22,402	(4,451)
2-3 years	42.74%	6,388	(2,730)
Over 3 years	100.00%	1,500	(1,500)
		66,542	(10,473)

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

In addition, the management is of the opinion that there has no default occurred for trade receivables past due 90 days or more other than those identified as credit impaired and the balances are still considered fully recoverable due to long-term/on-going relationship and good repayment record from these customers.

No allowance has been provided for notes receivables since the majority of balances are with the banks which have low credit risks during the Track Record Period, the Directors of the Group and Company considers the probability of default is negligible.

The following table shows the movements in lifetime ECL that has been recognized for Group's trade receivables and contract assets under the simplified approach.

The Group

	Trade receivables		Contract Assets	
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Lifetime ECL (not credit-impaired)	Total
As at January 1, 2023	9,006	1,249	53	10,308
Changes due to financial instruments recognized as at January 1, 2023:				
– Transfer to credit-impaired	(543)	543	–	–
– Impairment losses reversed	(3,167)	(58)	(53)	(3,278)
– Write-offs	(31)	–	–	(31)
New financial assets originated	4,025	–	228	4,253
As at December 31, 2023	9,290	1,734	228	11,252

	Trade receivables		Contract Assets	
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Lifetime ECL (not credit-impaired)	Total
Changes due to financial instruments recognized as at January 1, 2024:				
– Transfer to credit-impaired	(794)	794	–	–
– Impairment losses recognized/(reversed)	9,123	(100)	(228)	8,795
– Write-offs	(194)	–	–	(194)
New financial assets originated	10,898	–	250	11,148
As at December 31, 2024	28,323	2,428	250	31,001
Changes due to financial instruments recognized as at January 1, 2025:				
– Transfer to credit-impaired	(3,045)	3,045	–	–
– Impairment losses reversed	(7,014)	(137)	(250)	(7,401)
– Write-offs	(393)	–	–	(393)
New financial assets originated	11,828	–	420	12,248
As at December 31, 2025	29,699	5,336	420	35,455

The Company

	Trade receivables		Contract Assets	
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Lifetime ECL (not credit-impaired)	Total
As at January 1, 2023	2,127	303	53	2,483
Changes due to financial instruments recognized as at January 1, 2023:				
– Transfer to credit-impaired	(543)	543	–	–
– Impairment losses reversed	(173)	(57)	(53)	(283)
New financial assets originated	1,910	–	10	1,920
As at December 31, 2023	3,321	789	10	4,120
Changes due to financial instruments recognized as at January 1, 2024:				
– Transfer to credit-impaired	(138)	138	–	–
– Impairment losses recognized/(reversed)	2,374	(100)	(10)	2,264
New financial assets originated	3,862	–	60	3,922
As at December 31, 2024	9,419	827	60	10,306
Changes due to financial instruments recognized as at January 1, 2025:				
– Transfer to credit-impaired	(490)	490	–	–
– Impairment losses reversed	(248)	–	(60)	(308)
New financial assets originated	1,792	–	–	1,792
As at December 31, 2025	10,473	1,317	–	11,790

Financial assets included in deposit and other receivables

In order to minimize the credit risk of deposit and other receivables, the Directors continuously monitor the settlement status and the level of exposure to ensure that follow-up action is taken to recover overdue debts. The Directors have taken into account the economic outlook of the industries in which the debtors operate and reviewed the recoverable amount of each amount at the end of the reporting period to ensure that adequate impairment losses were recognized for irrecoverable debts.

The Group and the Company measure the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, on which the Group and the Company recognize lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition. During the Track Record Period, except for other receivables amounting to RMB3,000,000 has been determined as a significant increase in credit risk since initial recognition, and full impairment has been recognized during the Track Record Period, the Director of the Company determined the impairment for other receivables is insignificant.

Amounts due from subsidiaries

Since the credit risk of amounts due from subsidiaries is considered not significantly increased since initial recognition, therefore the impairment provision is determined as 12m ECL. No loss allowance for amounts due from subsidiaries were provided as at December 31, 2023, 2024 and 2025.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding. Due to the nature of the underlying businesses, the Group's management responsible for treasury function aims to maintain flexibility in funding by keeping sufficient cash available.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interests and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

The Group

	Weighted average interest rate	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023							
Financial liabilities							
Trade payables	–	99,686	–	–	–	99,686	99,686
Other payables	4.27%	97,220	–	–	12,325	109,545	107,220
Borrowings	2.56%	15,000	–	–	–	15,000	14,952
Redemption liabilities	6.75%	–	–	–	1,917,536	1,917,536	1,476,554
Subtotal		211,906	–	–	1,929,861	2,141,767	1,698,412
Lease liabilities	3.56%	2,487	271	284	284	3,326	3,178
Total		214,393	271	284	1,930,145	2,145,093	1,701,590

	Weighted average interest rate	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024							
Financial liabilities							
Trade payables	–	115,238	–	–	–	115,238	115,238
Other payables	–	15,799	–	–	–	15,799	15,799
Borrowings	–	23,983	–	–	–	23,983	23,983
Redemption liabilities	6.79%	–	–	2,023,011	–	2,023,011	1,661,491
Subtotal		155,020	–	2,023,011	–	2,178,031	1,816,511
Lease liabilities	3.84%	1,924	1,763	1,030	–	4,717	4,518
Total		156,944	1,763	2,024,041	–	2,182,748	1,821,029

	Weighted average interest rate	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025							
Financial liabilities							
Trade payables	–	251,791	–	–	–	251,791	251,791
Other payables	–	23,600	–	–	–	23,600	23,600
Borrowings	–	34,046	–	–	–	34,046	34,046
Redemption liabilities	6.88%	–	2,312,894	–	–	2,312,894	2,033,775
Subtotal		309,437	2,312,894	–	–	2,622,331	2,343,212
Lease liabilities	3.56%	1,796	1,030	–	–	2,826	2,756
Total		311,233	2,313,924	–	–	2,625,157	2,345,968

The Company

	Weighted average interest rate	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023							
Financial liabilities							
Trade payables	–	379	–	–	–	379	379
Other payables	–	1,283	–	–	–	1,283	1,283
Amounts due to subsidiaries	–	4,478	–	–	–	4,478	4,478
Borrowings	2.56%	15,000	–	–	–	15,000	14,952
Redemption liabilities	6.75%	–	–	–	1,917,536	1,917,536	1,476,554
Subtotal		21,140	–	–	1,917,536	1,938,676	1,497,646
Lease liabilities	4.75%	222	–	–	–	222	215
Total		21,362	–	–	1,917,536	1,938,898	1,497,861

	Weighted average interest rate	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024							
Financial liabilities							
Trade payables	–	13,760	–	–	–	13,760	13,760
Other payables	–	2,341	–	–	–	2,341	2,341
Amounts due to subsidiaries	–	6,385	–	–	–	6,385	6,385
Borrowings	–	23,983	–	–	–	23,983	23,983
Redemption liabilities	6.79%	–	–	2,023,011	–	2,023,011	1,661,491
Total		46,469	–	2,023,011	–	2,069,480	1,707,960

	Weighted average interest rate	On demand or within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025							
Financial liabilities							
Trade payables	–	7,407	–	–	–	7,407	7,407
Other payables	–	3,353	–	–	–	3,353	3,353
Amounts due to subsidiaries	–	40,081	–	–	–	40,081	40,081
Borrowings	–	34,046	–	–	–	34,046	34,046
Redemption liabilities	6.88%	–	2,312,894	–	–	2,312,894	2,033,775
Total		84,887	2,312,894	–	–	2,397,781	2,118,662

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

Fair value hierarchy as at December 31, 2023

	Level 2
	RMB'000
Structured deposits measured at FVTPL	50,109
Notes receivables measured at FVTOCI	10,236
Total	60,345

Fair value hierarchy as at December 31, 2024

	Level 2
	RMB'000
WMPs measured at FVTPL	293,571
Notes receivables measured at FVTOCI	24,149
Total	317,720

Fair value hierarchy as at December 31, 2025

	Level 2
	RMB'000
WMPs measured at FVTPL	232,518
Notes receivables measured at FVTOCI	59,203
Total	291,721

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

	Fair value as at December 31,				
Financial assets	2023	2024	2025	Fair value hierarchy	Valuation technique(s)
	RMB'000	*RMB'000*	*RMB'000*		
Structured deposits measured at FVTPL	50,109	–	–	Level2	Redemption value quoted by banks
WMPs measured at FVTPL	–	293,571	232,518	Level2	Quoted value provided by financial institution
Notes receivables measured at FVTOCI	10,236	24,149	59,203	Level2	Observable trading market price for endorsement

There were no transfers between Level 1, 2 and 3 during the Track Record Period.

42. CAPITAL COMMITMENTS

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	234	4,259	–

43. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in note 31, lease liabilities disclosed in note 30, redemption liabilities disclosed in note 34, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued paid-in capital, share capital, accumulated losses and capital and other reserve.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new shares issues as well as raising, extension and early repayment of borrowings.

44. RELATED PARTY DISCLOSURES

(A) Names and relationships with related parties

Names	Relationships
Mr. Tuo Hua (庹華)	Executive director, chairman of the Board and general manager
Mr. Han Fengtao (韓鋒濤)	A then founder and executive director of the Company
Chongqing Luokeda Intelligent Equipment Co., Ltd. (重慶珞科達智能設備有限公司, "Chongqing Luokeda")	Associate of the Group

(B) Related party balances

Amounts due from related parties:

The Group and Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-trade nature:			
Mr. Tuo Hua	939	–	–
Mr. Han Fengtao	564	–	–
Total	1,503	–	–

Amounts due from related parties were loans to the then directors of the Company, which were unsecured, with a fixed maturity of 4 years and bear the fixed interest of 4.31% per annum. The principals and interests of the loans were fully repaid in September 2024. The maximum amount outstanding during the year ended December 31, 2023, 2024 and 2025 amounting to RMB1,503,000, nil and nil, respectively.

Amounts due from related parties:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade nature:			
Chongqing Luokeda	–	–	378

(C) Related party transaction

The Group

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade sales:			
Chongqing Luokeda	–	–	2,828

(D) Other related party transactions

In February 2023, Mr. Tuo Hua, executed a guarantee in favor of CMB to secure a credit facility granted to the Company. The facility expired in February 2024 and all amounts drawn thereunder have been fully repaid during Track Record Period.

In June 2024, Mr. Tuo Hua, executed a guarantee in favor of CMB to secure a credit facility granted to the Company. The facility expired in June 2025 and all amounts drawn thereunder have been fully repaid in September 2025.

(E) Remuneration of key management personnel of the Group and the Company

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries and allowances	7,170	5,995	7,543
Share-based payments	1,463	19,230	–
Retirement benefit scheme contributions	659	436	636
	9,292	25,661	8,179

The remuneration of the Directors of the Group and the Company and other key management personnel of the Group and the Company are determined having regard to the performance of the individuals.

During the Track Record Period, 4,770 units, nil and 190,617 units of RSUs were granted to Directors and key management of the Company for the years ended December 31, 2023, 2024 and 2025, respectively.

(F) Balances with subsidiaries

The Company

Amounts due from subsidiaries:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade nature:			
Trade receivables	1,655	6,331	12,556
Non-trade nature:			
Other receivables *(Note)*	229,275	418,003	704,339
Total	230,930	424,334	716,895

Note: The amounts are non-trade in nature, unsecured, interest-free and are repayable on demand.

The following is an aged analysis of gross carrying amount of trade receivables due from subsidiaries, presented based on the respective revenue recognition dates at the end of each reporting period.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	1,655	6,331	12,556

Amounts due to subsidiaries:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade nature:			
Trade payables	4,478	6,385	40,081
Total	4,478	6,385	40,081

The following is an aged analysis of the Company's trade payables due to subsidiaries, presented based on the invoice dates at the end of each reporting period.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	4,478	6,385	40,081

45. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries directly held by the Company comprising the Group are set out below:

Name of subsidiaries	Place of establishment and principal place of business	Date of establishment	Issued and fully paid/ registered capital	Proportion of ownership interest held by the Company				Principal Activities
				As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	[As at the date of this report]	
				%	%	%	%	
Directly held:								
Rokae (Shandong) Intelligent Technology Co., Ltd.	Shandong Province	7/12/2016	As at December 31, 2023: RMB30,000,000 (issued and fully paid capital)/ RMB60,000,000 As at December 31, 2024 and 2025 and [the date of this report]: RMB60,000,000	100.00	100.00	100.00	[100.00]	Research and development, manufacturing, and sales of robotic products
Suzhou Kenuo Robotics Co., Ltd.	Jiangsu Province	19/12/2017	RMB10,000,000	100.00	100.00	100.00	[100.00]	Research and development of robotic products
Rokae (Shenzhen) Intelligent Technology Co., Ltd.	Shenzhen	1/9/2017	RMB3,000,000	100.00	100.00	100.00	[100.00]	Research and development of robotic products
Rokae (Wuhan) Robotics Co., Ltd.	Hubei Province	10/9/2021	RMB20,000,000	100.00	100.00	100.00	[100.00]	Sales of robotic products
Rokae Japan	Tokyo	1/2/2022	Japanese yen 5,000,000	100.00	100.00	100.00	[100.00]	Research and development of robotic products
Rokae (Tianjin) Robotics Co., Ltd.	Tianjin	26/4/2023	RMB5,000,000	100.00	100.00	100.00	[100.00]	Research and development of robotic products
Rokae (Beijing) Robotics Co., Ltd.	Beijing	7/4/2023	RMB10,000,000	100.00	100.00	100.00	[100.00]	Research and development and sales of robotic products
Rokae New Energy (Shanghai) Robotics Co., Ltd.	Shanghai	22/8/2024	As at December 31, 2024: RMB700,000 (issued and fully paid capital)/ RMB5,000,000 As at December 31, 2025 and [the date of this report]: RMB5,000,000	N/A	100.00	100.00	[100.00]	Research and development and sales of robotic products

Name of subsidiaries	Place of establishment and principal place of business	Date of establishment	Issued and fully paid/ registered capital	Proportion of ownership interest held by the Company				Principal Activities
				As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	[As at the date of this report]	
				%	%	%	%	
Rokae (Zhejiang) Robotics Intelligent Technology Co., Ltd.	Zhejiang	4/8/2025	As at December 31, 2025, and [the date of this report]: Nil (issued and fully paid capital)/ RMB60,000,000	N/A	N/A	100.00	[100.00]	Research and development, manufacturing, and sales of robotic

All the subsidiaries of the Company located in mainland are limited liability companies and all the subsidiaries have adopted December 31 as their financial year end date.

No statutory financial statements of all the subsidiaries were available for the years ended December 31, 2023, 2024 and 2025 as they are incorporated in the jurisdiction where there are no statutory audit requirements.

None of the subsidiaries comprising the Group had issued any debt securities at the end of each reporting period during the Track Record Period.

46. SUBSEQUENT EVENTS

There were no material events taken place subsequent to December 31, 2025.

47. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the subsidiaries comprising the Group in respect of any period subsequent to December 31, 2025.

*The information set out in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of the three years ended December 31, 2025 (the "**Accountants' Report**") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this document, and is included herein for information only. The unaudited* **[REDACTED]** *financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set out in Appendix I to this document.*

A. UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED TANGIBLE ASSETS LESS LIABILITIES OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited [**REDACTED**] statement of adjusted consolidated tangible assets less liabilities of the Group attributable to owners of the Company prepared in accordance with Rule 4.29(1) of the Listing Rules is set out below to illustrate the effect of the proposed [**REDACTED**] (as defined in this document) on the audited consolidated tangible assets less liabilities of the Group attributable to owners of the Company at December 31, 2025 as if the [**REDACTED**] had taken place on that date.

The unaudited [**REDACTED**] statement of adjusted consolidated tangible assets less liabilities of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated tangible assets less liabilities of the Group attributable to owners of the Company as at December 31, 2025 following the [**REDACTED**].

The following unaudited [**REDACTED**] statement of adjusted consolidated tangible assets less liabilities of the Group attributable to owners of the Company is prepared based on the audited consolidated tangible assets less liabilities of the Group attributable to owners of the Company as at December 31, 2025 as derived from the Accountants' Report, the text of which is set out in Appendix I to this document, and adjusted as follow:

	Audited consolidated tangible assets less liabilities of the Group attributable to owners of the Company as at December 31, 2025	**Estimated net [REDACTED] from the [REDACTED]**	**Unaudited [REDACTED] adjusted consolidated tangible assets less liabilities of the Group attributable to owners of the Company as at December 31, 2025**	**Unaudited [REDACTED] adjusted consolidated tangible assets less liabilities of the Group attributable to owners of the Company as at December 31, 2025 per Share**	
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
Based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]	(1,164,003)	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

Notes:

(1) The audited consolidated tangible assets less liabilities of the Group attributable to owners of the Company as at December 31, 2025 is based on the audited consolidated net liabilities of the Group attributable to owners of the Company amounted to RMB(1,157,890,000), with adjustment for intangible assets of the Group attributable to owners of the Company as at December 31, 2025 of RMB6,113,000 extracted from the Accountants' Report set out in Appendix I to this document.

(2) The estimated net [**REDACTED**] from the [**REDACTED**] are based on [**REDACTED**] Shares to be issued at the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], after deduction of the estimated [**REDACTED**] expenses and [**REDACTED**] costs (including [**REDACTED**] fees other related expenses) expected to be incurred by the Group subsequent to December 31, 2025. The calculation of such estimated net [**REDACTED**] does not take into account any Shares which may be allotted and issued pursuant to the exercise of [**REDACTED**].

For the purpose of calculating the estimated net [**REDACTED**] from the [**REDACTED**], the translation of Hong Kong dollars into Renminbi was made at the exchange rate of HK$1.00 to [**REDACTED**], which was the exchange rate prevailing on [**REDACTED**] with reference to the rate published by the People's Bank of China. No representation is made that Hong Kong dollars have been, would have been or may be converted to Renminbi, or vice versa, at that rate or at any other rates or at all.

(3) The unaudited [**REDACTED**] adjusted consolidated tangible assets less liabilities of the Group attributable to owners of the Company as at December 31, 2025 per Share is calculated based on [**REDACTED**] Shares, being the number of Shares without redemption right expected to be in issue immediately following the completion of the [**REDACTED**], assuming the share subdivision has been completed as set out in Note 36 to the Appendix I. Details of the share subdivision are set out in the "HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE" section to this document. It does not take into account (i) any Shares which may be allotted and issued pursuant to the exercise of [**REDACTED**], or (ii) termination of the preferential rights of redemption liabilities upon completion of [**REDACTED**].

(4) The unaudited [**REDACTED**] adjusted consolidated tangible assets less liabilities of the Group attributable to owners of the Company per Share is converted from RMB into Hong Kong dollar at the rate of HK$1.00 to [RMB[**REDACTED**]], which was the exchange rate prevailing on [**REDACTED**] with reference to the rate published by the People's Bank of China. No representation is made that the Renminbi have been, would have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.

(5) No adjustment has been made to the unaudited [**REDACTED**] adjusted consolidated tangible assets less liabilities of the Group attributable to owners of the Company as at December 31, 2025 to reflect any operating result or other transactions of the Group entered into subsequent to December 31, 2025. In particular, the unaudited [**REDACTED**] adjusted consolidated tangible assets less liabilities of the Group attributable to owners of the Company as shown on the table above have not been adjusted to illustrate the effect of termination of the preferential rights of the redemption liabilities.

As at December 31, 2025, the carrying amount of [**REDACTED**] Shares of the Company with redemption rights was RMB[**REDACTED**] and recognized as financial liabilities. Upon the [**REDACTED**], all preferred rights entitled to the Company's investors will be terminated and the redemption liabilities recognized due to these preferred rights will be derecognized and recognized to equity.

Had all redemption liabilities were recognized in equity on December 31, 2025, the unaudited [**REDACTED**] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025 would be approximately RMB[**REDACTED**], based on the [**REDACTED**] of HK$[**REDACTED**] per Share. The number of Shares used in the calculation would be [**REDACTED**] after assuming the above termination. The unaudited [**REDACTED**] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as of December 31, 2025 would be RMB[**REDACTED**] (equivalent to HK$[**REDACTED**]) based on the [**REDACTED**] of HK$[**REDACTED**] per Share.

[**REDACTED**]

[**REDACTED**]

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws, practices, or other tax regulations of the PRC and of jurisdictions in which holders of H Shares are resident. 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 following discussion does not deal with all possible tax consequences relating to investing 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 investing in the H Shares. The following 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 [**REDACTED**] are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of investment and investment of H Shares.

THE PRC TAXATION

Taxation on dividends

Individual investor

According to the Individual Income Tax Law of the PRC (中華人民共和國個人所得税法) (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税法實施條例), 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%. For foreign individuals who are not residents of PRC, dividends received from a Chinese enterprise are generally taxed at 20%, unless there are specific exemptions granted by the State Council's tax authority or reductions under an applicable tax treaty.

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、國家税務總局、證監會關於上市公司股息紅利差別化個人所得税政策有關問題的通知) 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%.

According to the Announcement of SAT on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (國家税務總局關於發布<非居民納税人享受協定待遇管理辦法>的公告), which came into effect on 1 January 2020, non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of "self-assessment, claiming benefits, retention of the relevant materials for future 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 through the withholding agent, simultaneously gather and retain the relevant materials pursuant to the provisions of the Measures for future inspection, and accept follow-up administration by the tax authorities. For withholding at source and designated withholding, a non-resident taxpayer asserting that it satisfies the criteria for claiming treaty benefits and need to claim such benefits shall complete an "Information Report on Non-resident Taxpayers Claiming Treaty Benefits" truthfully, submit to the withholding agent voluntarily, gather and retain the relevant materials pursuant to the relevant provisions.

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) (國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知) 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%.

In accordance with the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排), signed on August 21, 2006, the PRC Government has the authority to impose taxes on dividends paid by a PRC company to Hong Kong residents, including both natural persons and legal entities. The tax levied shall not exceed 10% of the total dividends payable by the PRC company. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company and meets certain conditions as the beneficial owner of the equity, the tax imposed shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol of the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書), in effect since December 6, 2019, introduces specific criteria determining entitlement to treaty benefits. According to this protocol, if, after all the relevant facts and circumstances are considered, it could be reasonably determined that gaining such tax benefit is one of the primary purposes of any arrangement or transaction that directly or indirectly provides benefits, such benefits shall not apply to the relevant proceeds, except it could be confirmed that under such circumstances, providing such benefits align with the objectives and goals of the relevant provisions of the Arrangement.

Additionally, the application of the dividend clauses of tax agreements is bound by the stipulations outlined in the PRC tax laws and regulations, including the guidelines specified in the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (國家税務總局關於執行税收協定股息條款有關問題的通知) (Guo Shui Han [2009] No. 81).

Corporate investors

Pursuant to the provisions outlined in the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法) (the "Enterprise Income Tax Law"), enacted by the National People's Congress of the PRC (NPC) on March 16, 2007, and enforced from January 1, 2008, subsequently amended on February 24, 2017, and December 29, 2018, and in alignment with the Implementation Provisions of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法實施條例), promulgated by the State Council on December 6, 2007, and effective from January 1, 2008, last amended on December 6, 2024 and effective on January 20, 2025 (collectively referred to as the "EIT Law"), it is established that a non-resident enterprise is generally liable to a 10% enterprise income tax on income sourced within the PRC. Such income includes dividends and bonuses received from a PRC resident enterprise. This taxation applies to non-resident enterprises that lack a physical establishment or premises in the PRC. Alternatively, if an establishment or premise exists within the PRC, but the PRC-sourced income is unrelated to said establishment or premise, it is subject to the aforementioned taxation.

The withholding tax for non-resident enterprises is mandated to be deducted at the source, whereby the entity making the payment assumes the role of the withholding agent. Consequently, the withholding agent is obligated to withhold the income tax from the payment or due payment each time it is disbursed or becomes due. 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 (國家税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税有關問題的通知) (Guo Shui Han [2008] No. 897), 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-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税問題的批覆) (Guo Shui Han [2009] No. 394) 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 PRC has concluded with the relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排) signed on August 21, 2006, the 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 and meets certain conditions as the beneficial owner of the equity interest, such tax shall not exceed 5% of the total dividends payable by the Chinese company.

Furthermore, the Fifth Protocol of the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排第五議定書), introduces additional criteria for qualifying for treaty benefits. While other provisions may exist within the Arrangement, if, after all the relevant facts and circumstances are considered, it could be reasonably determined that gaining such tax benefit is one of the primary purposes of any arrangement or transaction that directly or indirectly provides benefits, such benefits shall not apply to the relevant proceeds, except it could be confirmed that under such circumstances, providing such benefits align with the objectives and goals of the relevant provisions of the Arrangement.

It is important to note that the application of the dividend clauses of tax agreements is contingent upon compliance with the PRC tax laws and regulations, including the guidelines provided in the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

Tax Treaties

Non-PRC resident investors residing in countries that have entered into agreements for the avoidance of double taxation with the PRC or residing in the Hong Kong Special Administrative Region 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 the Hong Kong Special Administrative Region 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.

Non-PRC resident enterprises eligible for preferential tax rates under these relevant taxation treaties or arrangements are required to submit an application to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate. The approval of the refund application is subject to the evaluation and decision of the PRC tax authorities.

Taxation on Share Transfer

Value-added Tax and Local Surcharges

Pursuant to the Circular of the MOF and the SAT on Comprehensively Promoting the Pilot Program of the Collection of VAT in Lieu of Business Tax (財政部、國家税務總局關於全面推開營業税改徵增值税試點的通知), promulgated by the MOF and the SAT on March 23, 2016, took effect on May, 1, 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.

Furthermore, Circular 36 specifies that the transfer of financial products, including the ownership transfer of marketable securities, is subject to a VAT rate of 6% on the taxable income. Taxable income, in this context, refers to the sales price balance after deducting the purchase price. This VAT obligation applies to both general and foreign VAT taxpayers. Notably, individuals are exempt from VAT obligations when engaging in the transfer of financial products.

On November 19, 2017, the State Council further amended the Interim Regulations of the PRC on Value-Added Tax (中華人民共和國增值税暫行條例) to formalize the pilot program. The general VAT rates were simplified to 17%, 11%, 6%, and 0%, while the VAT rate applicable to small-scale taxpayers was set at 3%.

Pursuant to the Notice on Adjusting Value-Added Tax Rates (關於調整增值税税率的通知) (Cai Shui [2018] No. 32) issued by the MOF and the SAT on April 4, 2018, and effective as of May 1, 2018, taxpayers engaged in taxable sales subject to VAT or importing goods shall have their applicable tax rates adjusted from 17% and 11% to 16% and 10%, respectively. Pursuant to the Announcement on Policies Concerning the Deepening of VAT Reform (關於深化增值税改革有關政策的公告) issued by the MOF, the SAT, and the General Administration of Customs on March 20, 2019, and effective as of April 1, 2019, taxpayers engaging in VAT-taxable sales activities or importing goods, which were previously subject to tax rates of 16% and 10% respectively, shall have their tax rates adjusted to 13% and 9% respectively.

As per the aforementioned regulations, non-resident individuals selling or disposing of H shares are exempt from VAT in the PRC. However, if the holders are non-resident enterprises, they may be exempt from VAT in the PRC only if the buyers of the H shares are individuals or entities located outside of the PRC. Conversely, the holders might be subject to VAT in the PRC if the buyers of the H shares are individuals or entities situated within the PRC.

At the same time, VAT taxpayers are also subject to urban maintenance and construction tax, education surcharge and local education surcharge.

Income Tax

Individual investor

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 MOF and the SAT on Declaring that Individual Income Tax Continues to Be Exempted over Income of Individuals from Transfer of Shares (財政部及國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知) (Caishui [1998] No. 61) (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 of the MOF and the SAT on the Catalogue of Preferential Individual Income Tax Policies with Continued Effect (財政部、國家税務總局關於繼續有效的個人所得税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税有關問題的通知) (Cai Shui [2009] No. 167) promulgated by the MOF, the SAT and the CSRC on December 31, 2009, and took effect on January 1, 2010, individuals' income from transferring at the Shanghai Stock Exchange or the 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税有關問題的補充通知) (Caishui [2010] No. 70) jointly issued by the three aforementioned authorities on November 10, 2010.

As of the Latest Practicable Date, there are no provisions expressly stating that individual income tax shall be imposed on non-PRC resident individuals for the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Corporate investors

In accordance with the Enterprise Income Tax Law, where a non-PRC resident enterprise has not set up any institutions or establishments in PRC, or it has done so but its income generated in the PRC is irrelevant to the said institutions or establishments, it shall pay enterprise income tax on the portion of its income generated in the PRC (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.

The withholding of income tax for non-resident enterprises is executed at the source, with the entity making the payment acting as the withholding agent. This withholding agent is obliged to deduct the income tax from each payment or due payment made to the non-resident enterprise. It's important to note that the tax liability may be reduced or exempted in accordance with applicable tax treaties or agreements for the avoidance of double taxation.

Stamp Duty

In compliance with the PRC Stamp Duty Law (中華人民共和國印花税法) (the "Stamp Duty Law"), as issued by the SCNPC on June 10, 2021, and enforced from July 1, 2022, all entities and individuals involved in securities transactions within the PRC are obligated to pay stamp duty as per the regulations outlined in the Stamp Duty Law. Consequently, the stipulations concerning stamp duty applied to the transfer of shares of PRC-listed companies do not extend to the transfer and disposal of H Shares by non-PRC investors outside the PRC.

Estate Duty

Under prevailing PRC legislation, there is presently no imposition of estate duty within the jurisdiction.

MAJOR TAXES ON THE COMPANY IN THE PRC

Please refer to the section headed "Regulatory Overview" of this document.

FOREIGN EXCHANGE CONTROL IN THE PRC

The lawful currency of the PRC is RMB, 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 Administration Regulations of the PRC (the "Foreign Exchange Administration 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, RMB 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 PRC unless prior approval of the SAFE or its local counterparts is obtained.

According to the Announcement on Improving the Reform of the RMB Exchange Rate Formation Mechanism (關於完善人民幣匯率形成機制改革的公告) (PBOC Announcement [2005] No. 16), which was issued by the PBOC on July 21, 2005 and effective on the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies from July 21, 2005. Therefore, the RMB exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the RMB against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against RMB transactions on the following working day.

The Foreign Exchange Administration Regulations, which was revised on August 5, 2008, has made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, it has enhanced the supervision and administration of foreign exchange transactions and granted extensive authorities to the SAFE to enhance its supervisory and administrative powers.

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 carry 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 October 23, 2014, the State Council promulgated the Decisions of the State Council on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (國務院關於取消和調整一批行政審批項目等事項的決定) (Guo Fa [2014] No. 50), which decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

On December 26, 2014, the SAFE issued the Notice of the SAFE 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) (Hui Fa [2014] No. 54). According to this regulation, domestic companies 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 repatriated or deposited overseas, and the use of such funds shall be consistent with those contents mentioned in publicly disclosed documents.

The Notice of the SAFE 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) (Hui Fa [2015] No. 13), issued on February 13, 2015, by the SAFE, and came into effect on June 1, 2015, 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 Notice of the SAFE on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement under 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) (Hui Fa [2016] No. 16) issued by the SAFE on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.

On January 26, 2017, the SAFE issued the Notice of the SAFE on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知) (Hui Fa [2017] No. 3) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On October 23, 2019, the SAFE issued the Circular of the SAFE on Further Promoting Cross-border Trade and Investment Facilitation (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知) (Hui Fa [2019] No. 28), which stipulated that on the basis that investing foreign-funded enterprises may make domestic equity investments with their capital funds in accordance with laws and regulations, non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the premise that the existing Special Administrative Measures (Negative List) for the Access of Foreign Investment (外商投資准入特別管理措施(負面清單)) are not violated and domestic invested projects are true and compliant.

In accordance with the "Notice of the SAFE on Optimizing Foreign Exchange Management to Support Cross-border Business Development" (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) (Hui Fa [2020] No. 8) issued by the SAFE, and effective since April 10, 2020, PRC has launched nationwide reforms to streamline capital account income payments. Under the premise of ensuring funds are used genuinely, compliantly, and in compliance with existing regulations governing capital account income utilization, qualified enterprises will now be permitted to use capital account income, including capital, foreign debt, and overseas listing proceeds, for domestic payments without requiring prior authenticity verification from banks for each transaction.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (資本項目外匯業務指引(2024年版)) issued by the SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to the PRC in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the document or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (中華人民共和國憲法) (the "Constitution") and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC Government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution of the PRC (promulgated on December 4, 1982 and amended and entered into force 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 (the "Legislation Law"), the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic 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.

The standing committees of the people's congresses of provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. 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 Constitution, national region autonomy laws 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 the SCNPC, and to annul any autonomous regulations and separate regulations which have been approved by the SCNPC but which contravene the Constitution and the Legislation Law; the SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which 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 congresses of provinces, autonomous regions and 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 standing committees of the local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level; 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 a lower level.

According to the Constitution and the Legislation Law, 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 Organization 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, and the Organic Law of the People's Procuratorates of the PRC (中華人民共和國人民檢察院組織法), promulgated on July 5, 1979, implemented on January 1, 1980, last amended on October 26, 2018, and effective as of January 1, 2019, the People's Courts of the PRC are composed of the Supreme People's Court, local people's courts at various levels, and specialized people's courts such as military courts. The local people's courts at various levels 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 set up certain people's tribunals based on the status of the region, population and cases. The intermediate people's courts may be organized into divisions similar to those of the basic people's courts, and may be further organized 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 of China are divided into the Supreme People's Procuratorate, local people's procuratorates at various levels, and specialized people's procuratorates such as military procuratorates. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of local people's procuratorates at various levels and specialized people's procuratorates. Higher-level people's procuratorates direct the work of lower-level people's procuratorates. People's procuratorates also have the authority to exercise legal oversight over the trial activities of people's courts at the same level 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 judgment 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 judgment and ruling of the first instance by the local people's courts shall be final and legally binding. Judgments and rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and the judgments and rulings of the first instance of the Supreme People's Court shall be the final judgments and rulings. If, however, the Supreme People's Court finds some definite errors in a legally effective judgment, 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 judgment, 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 judgment, 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) (the "PRC Civil Procedure Law"), which was adopted on April 9, 1991 and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023, 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 judgment 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 court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's place of domicile, the place where the contract is performed or signed or the object of the action is located. However, the choice of the court cannot be in conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people's court. Should a foreign court limit the litigation rights of citizens, a legal person, and other organizations of the PRC, the PRC court may apply the same limitations to the civil litigation rights to citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigation at the people's 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. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action must comply with a judgment or award that has the force of law. If any party to a civil action refuses to abide by a judgment 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 judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment on the party.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless among other exceptions, the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

THE COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established 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 Company Law of the PRC (中華人民共和國公司法) (the "Company Law") 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.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the "Overseas Listing Trial Measures")) (which came into effect on March 31, 2023) and its relevant interpretative guidelines, which is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On March 28, 2025, the CSRC promulgated the latest amended Guidelines for the Articles of Association of Listed Companies (上市公司章程指引) (the "Guidelines for the Articles of Association"). According to the Overseas Listing Trial Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules—Overseas Listing Category No. 1 《監管規則適用指引－境外發行上市類第1號》, domestic enterprises that are directly listed overseas shall formulate its articles of association with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on main provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association which are applicable to the Company.

General Provisions

"A joint stock limited company" means 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 joint stock limited 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 and joint stock limited 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.

Company Incorporation

A joint stock limited company may be incorporated by promotion or raising. A joint stock limited company shall be incorporated by one to 200 promoters, provided that at least more than half of the promoters must reside in the PRC. Where a joint stock limited company is to be established by means of promotion, promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the articles of association. If a joint stock limited company is to be established by means of raising, the promoters shall subscribed for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the articles of association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

A document shall be published and a subscription letter shall be prepared when the promoters offer shares to the public. The subscriber shall fill in the number of shares subscribed for, amount and domicile and affix his/her signature or seal to the subscription letter. The subscriber shall make full payment for the shares subscribed for. Where a promoter is offering shares to the public, such offer shall be underwritten by security companies established under PRC laws, and an underwriting agreement shall be concluded thereon. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities. After the share capital for a public offering has been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. Where the shares to be issued have not been fully subscribed for at the time of the establishment of a company, or the promoters fail to hold an establishment meeting within 30 days after the full payment has been made for the shares to be issued, subscribers may claim against the promoters for refund of the payment for shares plus the interest on the bank deposits for the same term. The promoters and subscribers may not withdraw their share capital after they have made payment for the shares or delivered non-monetary property as capital contributions, except that the shares have not been fully subscribed for within the time limit, the promoters fail to hold the establishment meeting on schedule, or the establishment meeting decides not to establish the company.

The founding meeting can only be held if the promoters and subscribers representing more than half of the total number of shares are present. The functions and powers exercised by the founding meeting include, but are not limited to, the adoption of the articles of association and the election of the board of directors of the company. The resolution of the founding meeting on the matters listed in the preceding paragraph must be passed by a majority of the voting rights held by the subscribers attending 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.

A company's promoter shall be liable for the followings: (1) the debts and expenses incurred in the establishment process jointly and severally if the company cannot be established; (2) the refund of subscription monies paid by the subscribers together with interest at bank deposit rates for the same period jointly and severally if the company cannot be established; (3) during the establishment of a company, if a promoter incurs civil liability arising from civil activities conducted in its own name for the purpose of establishing the company, third parties have the right to elect to seek recourse from the promoter; (4) during the establishment of a company, if a promoter causes harm to others while performing duties related to the company's establishment, the company or the non-negligent promoter shall bear liability for compensation and may subsequently seek reimbursement from the negligent promoter.

Share 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.

According to the Overseas Listing Trial Measures, domestic enterprises listed overseas can raise funds and distribute dividends in foreign currencies or RMB.

Under the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

Under the Company Law, a joint stock limited company is required to maintain a register of shareholders, detailing the following information: (1) the name and domicile of each shareholder; (2) the class and number of shares subscribed for by each shareholder; (3) the serial number of shares if issued in paper form; and (4) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholder's 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 document.

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 the shareholder's 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.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or with the consent of all shareholders of a limited liability company, or otherwise provided in the articles of association of a joint stock limited company.

If a company still has losses after making up for them in accordance with the relevant provisions of the Company Law, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the loss, the company shall not make any distribution to the shareholders, nor shall the shareholders be exempted from their obligation to pay the capital contribution or the share capital. If the registered capital is reduced in accordance with the aforesaid provisions, the item (III) and item (IV) mentioned above shall not apply, but the Company shall, within thirty (30) days from the date of the resolution of the shareholders' general meeting for such reduction of registered capital, make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System. After a company reduces its registered capital in accordance with the provisions of the preceding paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

When a company reduces its registered capital in violation of the provisions of the Company Law, its shareholders shall refund the funds they have received, and if the capital contributions of the shareholders are reduced or exempted, such capital contributions shall be restored to the original status; if any loss is caused to the company, the shareholders and the liable directors and senior management shall bear the liability for compensation.

Repurchase of shares

Under the Company Law, a company shall not acquire its own shares. Except for any following circumstances:

(i) reducing its 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 shareholder's 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 shareholder's 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 shareholder's meeting.

After a company purchase its own shares 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 it shall not exceed 10% of the total issued shares of the company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

When a listed company acquires its own shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law of the PRC (the "Securities Law"). If a listed company acquires its own shares under the circumstances specified in items (iii), (v), and (vi) above, such acquisition shall be conducted through an open centralized trading method.

A company shall not accept its own shares as the subject matter of a mortgage.

No company may provide gifts, loans, guarantees or other financial aids for others to obtain the shares of the company or the parent company thereof unless it carries out an employee stock ownership plan. For the benefits of the company, the company may, upon a resolution by the shareholders' meeting or by the board of directors under the articles of association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of the company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital.A resolution by the board of directors shall be adopted by more than two thirds of all the directors.

Any director or senior management who is liable for any loss to the company due to violation of the provisions of the preceding paragraph shall make compensations.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder should affect a transfer of his shares on a stock exchange established according to the law or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, 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 preceding paragraph shall be affected during a period of 20 days prior to the convening of shareholder's meeting or 5 days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of accompany are listed and traded on a securities exchange. The directors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the

company. Shares of a company held by its directors 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.

Pursuant to the Overseas Listing Trial Measures, where a domestic enterprise directly issues shares for overseas listing, shareholders holding its unlisted domestic shares who apply to convert such unlisted domestic shares into overseas-listed shares and list them for trading on an overseas exchange shall comply with the relevant provisions of the CSRC and entrust the domestic enterprise to file with the CSRC. If the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted period.

Shareholders

Under the Company Law and the Guidelines for the Articles of Association, the rights of a shareholder 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 shareholder's 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 and copy the company's articles of association, register of members, minutes of shareholders' meetings, resolutions of the board of directors, and financial accounting reports and shareholders who meet the specified requirements may also inspect the company's accounting books and accounting vouchers;

(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 if a shareholder disagrees with the resolution on merger or division of the company approved at a shareholder's meeting; and

(viii) other rights as stipulated by laws, administrative regulations, departmental rules or 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, and shall be liable for the company to the extent of the shares it has subscribed to;

(iii) not to abuse its shareholder 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 Meetings

Under the Company Law and the Guidelines for the Articles of Association, the shareholder's meeting of a joint stock limited company is made up of all shareholders. The shareholder's meeting is the organ of authority of a company, which exercises the following functions and powers:

(i) to elect and replace directors and to decide on matters relating to the remuneration of directors;

(ii) to examine and approve reports of the board of directors;

(iii) to examine and approve a company's profit distribution plans and loss recovery plans;

(iv) to resolve on the increase or reduction of a company's registered capital;

(v) to resolve on the issuance of corporate bonds;

(vi) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company;

(vii) to amend the company's articles of association;

(viii) to resolve on the engagement or termination of accounting firms conducting the company's audit services;

(ix) to review and approving guarantee matters as stipulated in Article 47 of the Guidelines for Articles of Association;

(x) to review matters concerning the purchase or sale of major assets within one year that exceed thirty percent of the company's most recent audited total assets;

(xi) to review and approving changes in the use of raised funds;

(xii) to review equity incentive plans and employee stock ownership plans;

(xiii) to review other matters stipulated by laws, administrative regulations, departmental rules, or the articles of association as requiring decision by the shareholders' meeting.

The shareholders' meeting may authorize the board of directors to make resolutions regarding the issuance of corporate bonds.

Under the Company Law, annual general meetings are required to be held once every year. An extraordinary 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) where any shareholders individually or jointly holding 10% or more of the company's shares so request;

(iv) when deemed necessary by the board of directors;

(v) the audit committee proposes to convene the meeting; and

(vi) other circumstances as stipulated in the articles of association.

A shareholders' meeting is 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 is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of directors shall preside over the meeting. If the board of directors is unable to or fails to perform its duty of convening the shareholders' meeting, the audit committee shall convene and preside over such meeting in a timely manner; if the audit committee fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting. If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an extraordinary general meeting, the board of directors and the audit committee shall, within 10 days after the receipt of such request, decide whether to hold an extraordinary general meeting and reply to the shareholders in writing.

The notice of a 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. The notice of an extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting. For the issuance of bearer share certificates, the time and venue of and matters to be considered at the meeting shall be announced 30 days before the meeting.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders' meeting, and it should clarify the matters, power and time limit of the proxy. 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' meeting.

Under the Company Law, each shareholder attending the shareholders' meeting has one vote for every share they held, and the shares held by the company have no voting rights.

The cumulative voting system may be adopted for the election of directors at the shareholder's meeting in accordance with the provisions of the articles of association or the resolutions of the shareholders' meeting. Under the accumulative voting system, each share shall have the same number of voting rights as the number of directors or the audit committee to be elected at the shareholders' 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' 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.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the host and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Amendment to Articles of Association

Pursuant to Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's articles of association shall be approved by more than two-thirds of the voting rights held by shareholders attending the meeting. According to the Guidelines for the Articles of Association, if the amendments to the articles of association approved by the resolution of the shareholders' meeting are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations shall be handled according to law. Where the amendments to the articles of association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

Directors and Board of 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 shall be notified 10 days before the meeting for every meeting. The board exercises the following functions and powers:

(i) to convene shareholders' meetings and report its work to the shareholders' meetings;

(ii) to implement the resolutions of the shareholders' meeting;

(iii) to decide on a company's business plans and investment plans;

(iv) to formulate a company's profit distribution plan and loss recovery plan;

(v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds;

(vi) to formulate plans for merger, division, dissolution or change of corporate form of a company;

(vii) to decide on the internal management structure of a company;

(viii) to decide on the appointment or dismissal of the manager of a company and his/her remuneration, and based on nominations by the manager, determine the appointment or removal of any deputy manager and the head of finance and their remuneration;

(ix) to formulate a company's basic management system;

(x) other functions and powers specified in the articles of association or granted by the shareholders' meeting.

Restrictions on the powers of a company's the board of directors by the company's articles of association shall not be enforceable against bona fide third parties.

Under the Company Law, a person may not serve as a director of a company if he is:

(i) any individual without civil capacity or with limited civil capacity;

(ii) any individual who has been subjected to criminal punishment for corruption, bribery, embezzlement or misappropriation of property, or disruption of the economic order of the socialist market, or who has ever been deprived of political rights due to a criminal conviction, and five years have not elapsed since the term of punishment was completed, or in the case of a suspended sentence, two years have not elapsed since the probation period was completed;

(iii) any former director, factory director, or company manager of a company or enterprise which has been declared bankrupt and liquidated, and where the individual was personally responsible for the bankruptcy of the company or enterprise, and three years have not elapsed since the bankruptcy and liquidation were completed;

(iv) any former legal representative of a company or enterprise which has had its business license revoked or been ordered to shut down due to any violation of the law, and where the individual was personally responsible for the situation, and three years have not elapsed since the date of revocation of business license or shutdown order; and

(v) any individual identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

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' 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.

The Audit Committee

Under the Company Law, where a joint stock limited company does not have the board of supervisors, the audit committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments.

Among the members of the board of directors of the company, an employees' representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the articles of association, unless it is otherwise provided for by the Company Law. A company may set up other committees in the board of directors under 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 company manager shall report to the board of directors and exercise functions and powers as specified in the articles of association or as authorized by the board of directors.

According to the Company Law, senior management shall refer to the manager, deputy manager, financial controller, board secretary of a listed company and other personnel as stipulated in the articles of association of the company.

Duties of Directors, General Manager and Other Senior Management

Directors and senior management shall comply with laws, administrative regulations and the articles of association. Directors and senior management shall assume the duty of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers. The directors and senior management shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager. Where the controlling shareholder or actual controller of a company does not serve as a director of the company but actually performs the affairs of the company, the provisions of the preceding two paragraphs shall apply.

In the meantime, directors and senior management are prohibited from:

(i) embezzling the property or misappropriating the funds of the company;

(ii) depositing company funds into accounts under their own names or the names of other individuals;

(iii) using their authority to engage in bribery or accept other illegal income;

(iv) personally accepting commissions on transactions to which the company is a party;

(v) disclosing confidential company information without authorization; and

(vi) other acts in violation of their duty of loyalty to the company.

Directors and senior management personnel shall not engage in business activities, either self-owned or owned by others, similar to those of the company they serve without reporting to the board of directors or shareholders' meeting, and obtaining approval through resolutions of the board or shareholders' meeting as stipulated in the company's articles of association.

If directors or senior management personnel violate laws, administrative regulations, or the company's articles of association during the performance of their duties, thereby causing losses to the company, they shall bear compensation liability.

Finance, Accounting and Profit Distribution

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 may cease to do so 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' meeting. If any after-tax profits remain after losses are covered and reserves are set aside, the profits shall be distributed on a pro rata basis, unless otherwise stipulated in the company's articles of association.

The premium received from the issuance of shares by the company at a price exceeding the face value of the stocks, the amount of capital obtained from the issuance of non-par value shares that is not included in the registered capital, and other items stipulated by the finance authority under the State Council to be included in the capital reserve of the company shall be allocated to the capital reserve of the company. A company's reserves shall be used to cover its losses, expand its production and business, or increase its registered capital.When using a company's reserves to cover its losses, any discretionary reserve and statutory reserve balances shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with regulations.When converting statutory reserve into an increase in registered capital, the remaining balance of such reserve shall not be less than 25% of the company's registered capital before the 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 the shareholders' 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' 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 and senior management personnel who are responsible for causing losses to the company shall bear compensation liability.

When a company distributes its after-tax profits for the current year, it shall set aside 10% of the profits to be included in the company's statutory reserve. A company may elect not to do so if its aggregate statutory reserve reaches 50% or more of its registered capital. If a company's statutory reserve is insufficient to cover previous years' losses, the current year's profits shall first be used to cover such losses before being set aside as provided in the preceding paragraph. After a company sets aside an amount for statutory reserve from its after-tax profits, it may, subject to a resolution of the shareholders' meeting, set aside an amount for discretionary reserve from its after-tax profits. If any after-tax profits remain after losses are covered and reserves are set aside, the profits shall be distributed to shareholders in proportion to their shareholdings, unless otherwise stipulated in the company's articles of association. No profit shall be distributed for shares held by the company itself.

Where a company distributes profits to shareholders in violation of the relevant provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the liable directors and senior management shall be held liable for compensation if any loss is caused to the company.

If the shareholders' meeting resolves to distribute profits, the board of directors shall do so within six months after the resolution is made.

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' meeting resolves to dissolve the company;

(iii) dissolution is necessary due to a merger or division of the company;

(iv) the business license is revoked, or the company is ordered to be closed or deregistered 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, and has not yet distributed its assets to shareholders, it may carry on its existence by amending its articles of association or upon a resolution of the shareholders' meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' 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. Directors shall act as the liquidators, and 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' 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 distribute the remaining assets of the company after the repayment of debts; and

(vii) to participate in civil litigations on behalf of the company.

The liquidation committee shall notify the company's creditors within ten days of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days of the receipt of the notice or within 45 days of the issuance of the public announcement in the case of failing to receive such notice. When submitting a debt claim, a creditor shall provide relevant details and supporting evidence. The liquidation committee shall record all debts claimed.The liquidation committee shall not repay any creditor during the debt claim period.

The remaining property of the company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, 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 company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation committee, having thoroughly examined the company's assets and having prepared a balance sheet and an inventory of assets, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application 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 liquidation matters 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.

The 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 group 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 Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of the article 16 of the Overseas Listing Trial Measures. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

The Overseas Listing Trial Measures also stipulate the conditions for overseas issuance and listing. Overseas issuance and listing shall not be permitted under any of the following circumstances:

(i) where listing and financing are expressly prohibited by laws, administrative regulations, or relevant national provisions;

(ii) where, upon review and determination by the relevant competent authorities of the State Council in accordance with the law, overseas issuance and listing may endanger national security;

(iii) where the domestic enterprise or its controlling shareholder or actual controller has committed criminal offenses involving corruption, bribery, embezzlement, misappropriation of property, diversion of assets, or disruption of the socialist market economy order within the past three years;

(iv) where the domestic enterprise is under investigation for suspected criminal offenses or major violations of laws and regulations, and no conclusive findings have been reached;

(v) where the equity held by the controlling shareholder or a shareholder controlled by the controlling shareholder or actual controller is subject to significant ownership disputes.

Additionally, pursuant to the Overseas Listing Trial Measures, when a domestic Chinese enterprise applies to the competent overseas regulatory authority or overseas securities exchange for an initial public offering ([**REDACTED**]), the issuer must file with the CSRC within three working days after submitting the application. Domestic Chinese enterprises that have completed overseas offerings and listings must report the following major events to the CSRC within three working days of their occurrence and public announcement:

(i) Change of control;

(ii) Investigation or penalties imposed by overseas securities regulators or relevant competent authorities;

(iii) Conversion of listing status or transfer to a different listing segment;

(iv) Voluntary or mandatory delisting.

Pursuant to the Regulations on Strengthening Confidentiality and Archival Management for Domestic Enterprises Issuing Securities and Listing Overseas (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) jointly promulgated by the CSRC, Ministry of Finance, National Administration of State Secrets Protection, and National Archives Administration on February 24, 2023, and effective as of March 31, 2023, domestic enterprises providing or publicly disclosing documents or materials involving state secrets or work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory authorities, or other entities and individuals, or providing or publicly disclosing such materials through their overseas listed entities, shall first obtain approval from the competent authorities in accordance with the law and file with the confidentiality administrative department at the same level. Domestic enterprises providing accounting archives or copies thereof to relevant securities companies, securities service institutions, overseas regulatory authorities, or other entities and individuals shall follow the corresponding procedures in accordance with relevant national regulations.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declared that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (2019 revision) (《中華人民共和國證券法(2019年修訂)》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Overseas Listing Trial Measures, in case of voluntary or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

The PRC Securities Laws, Regulations and Regulatory Regimes

The PRC has promulgated a number of regulations that relate to the issuance and trading of 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 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 Securities Law comprehensively regulates the activities in the PRC securities market. The Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly 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 of the PRC. 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 of the PRC, an arbitral award shall be final, 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 irregularity in the composition of the arbitration tribunal or arbitration proceedings or there is any procedural irregularity (including but not limited to the making of an award on matters beyond the scope of the arbitration agreement or irregularity in the jurisdiction of the arbitration tribunal).

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 (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 thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC's accession to the Convention, the SCNPC declared that (1) the PRC would only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (2) 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 effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, awards made by PRC arbitral authorities can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC. 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 interests of Hong Kong, the awards may not be enforced.

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.

Judicial Judgment and Enforcement

According to the Arrangement of the Supreme People's Court 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 Articles of Association, 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: General Projects: Industrial robot manufacturing; industrial robot sales; installation and maintenance of industrial robots; R&D of intelligent robots; sales of intelligent robots; manufacturing of service consumption robots; sales of service consumption robots; industrial design services; manufacturing of industrial automation control system devices; sales of industrial automation control system devices; manufacturing of intelligent basic manufacturing equipment; sales of intelligent basic manufacturing equipment; manufacturing of intelligent instruments and meters; sales of intelligent instruments and meters; general equipment manufacturing (excluding special equipment manufacturing); general equipment repair; sales of mechanical parts and components; technical services, development, consultation, exchange, transfer, and promotion; technology import/export; goods import/export; software development; software sales; leasing services (excluding licensed leasing services). (Except for projects requiring approval by law, business activities shall be conducted independently based on the business license.)

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.

The par value shares issued by the company are denominated in Renminbi, with each share having a par value of RMB [0.1] yuan. The issue price of par value shares may be equal to, or exceed, the par value, but shall not be less than the par value.

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:

(i) issuing shares to unspecific objects;

(ii) issuing shares to specific objects;

(iii) distributing bonus shares to existing shareholders;

(iv) converting provident fund into share capital;

(v) Laws, administrative regulations and other methods stipulated by the CSRC and the SEHK.

The Company shall not repurchase its own shares, unless in any of the following events:

(i) decrease of its registered capital;

(ii) merger with another firm holding its shares;

(iii) use of company shares in staff shareholding scheme or equity incentives;

(iv) Shareholders disagree with the resolution of merger or spin-off at general meeting, and require the Company to repurchase its shares;

(v) conversion of company shares into convertible bonds of the Company;

(vi) required to maintain the company value and shareholder's interests;

(vii) other circumstances stipulated by laws, administrative regulations, the CSRC and Hong Kong securities regulatory authorities.

The Company may repurchase its shares by public centralized trading, or other means recognized by laws, administrative regulations and ways recognized by the CSRC. To repurchase its shares in event (iii), (v) or (vi) above, the Company shall repurchase by public centralized trading.

To repurchase its shares in event (i) or (ii) above, the Company shall obtain a resolution at general meeting; to repurchase in event (iii), (v) or (vi) 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 (i) above, the shares shall be deregistered within 10 days from repurchase; in event (ii) or (iv) above, the shares shall be transferred or deregistered within 6 months; in event (iii), (v) or (vi), 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. In event (vii), the company shall transfer or cancel the shares in accordance with relevant laws and administrative regulations.

Where a company acquires its own shares, it shall fulfill the obligation of information disclosure in accordance with the Securities Law and the securities regulatory rules of the stock listing place of the company.

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 its public offering shall not be transferred within one (1) year from the date of listing and trading of the company's shares on the 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 6 month from its leaving the Company.

When a shareholder, 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, exceptions shall be made for any holding more than 5% of the shares of the Company by any securities company as a result of its purchase of remaining shares under an underwriting obligation and other events defined by CSRC.

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 thirty (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. 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 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 share certificates, may apply to the Company for reissuing share certificates in relation to such shares. A holder of overseas listed shares, who has lost its share certificates, may apply for reissuing share certificates according to the laws, stock exchange rules or other requirements of the place where the original of such overseas shares register is deposited.

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 convener 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:

(i) obtain dividends and other forms of profit distribution in proportion to its shareholding;

(ii) lawfully require to hold, convene, chair, participate or appoint its proxy to participate and vote at general meeting;

(iii) supervise the operation of the Company, give advice or inquiry;

(iv) transfer, gift or pledge the Company shares it holds under laws, administrative regulations and the Articles of Association;

(v) 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;

(vi) enjoy distribution of remaining properties of the Company according to its shareholding when the Company is terminated or liquidated;

(vii) (being the shareholder who disagrees with the resolution of merger or spin-off at general meeting) require the Company to repurchase its shares;

(viii) other rights under the laws, administrative regulations, departmental rules, and 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, regulations, statutes and local listing rules, 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, regulations, statutes, local listing rules and the Articles of Association. Shareholders shall keep confidential any information or materials they access.

A shareholder may require local people's court to invalidate any resolution at general meeting or Board meeting that breaks the laws and regulations.

If the convening procedure or voting manner of general meeting or Board meeting breaks the laws, 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 convening procedure or voting manner, without substantial influence on the resolution.

For any dispute on the effectiveness of general meeting resolution, the Board, general meeting 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:

(i) the resolution is made without holding of general meeting or Board meeting;

(ii) there is no voting on the motion to be resolved at general meeting or Board meeting;

(iii) the number of persons 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;

(iv) the number of persons 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 one percent (1%) shares of the Company singly or in aggregate for more than one hundred and eighty (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 people's 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 thirty (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 one percent (1%) shares of the Company singly or in aggregate for more than one hundred and eighty (180) consecutive days may file a litigation to local court according to the above requirements.

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 one percent (1%) shares of the Company singly or in aggregate for more than one hundred and eighty (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 to the people's court, under the first three paragraphs of Article 189 of the Company Law.

If a director or executive breaks the laws, 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:

(i) obey the Chinese laws, administrative regulations and the Articles of Association;

(ii) contribute to the share capital according to the number of shares subscribed and the method of subscription;

(iii) not withdraw from share capital, unless otherwise required by the laws, regulations, statutes and local listing rules;

(iv) 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;

(v) other obligations under the laws, regulations, statutes, local listing rules 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 Actual Controller

The controlling shareholder or actual controller of the Company shall exercise its rights, perform its obligations and maintain the listed company's interests, under the laws, the regulations of the CSRC and the securities regulatory authority of the place where the Company's shares are listed.

The controlling shareholder or actual controller of the Company shall:

(i) lawfully exercise shareholder's rights, not misuse control or utilize the related relationship to harm the Company or other shareholder's legitimate rights and benefits;

(ii) strictly perform its public statements and various commitments, not alter or exempt unilaterally;

(iii) 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;

(iv) not occupy the Company's funds in any manner;

(v) not force, direct or require the Company and related personnel to provide guarantee illegally;

(vi) 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-swing trading, market manipulation or other illegal business;

(vii) not harm the Company or other shareholder's legitimate rights and benefits through unfair related transaction, profit distribution, assets reorganization, external investment among others;

(viii) 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;

(ix) otherwise required by the laws, administrative regulations, CSRC regulations and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The controlling shareholder or actual controller 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 actual controller 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 actual controller 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 actual controller 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, CSRC regulations 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:

(i) elect and replace a director who is not representative of employees, and determine the director's remuneration;

(ii) consider and approve the Board's report;

(iii) consider and approve the Company's profit distribution plan and loss makeup plan;

(iv) resolve on the Company's increase or decrease of registered capital;

(v) resolve on the issuance of Company bonds;

(vi) resolve on the merger, spin-off, dissolution, liquidation or change of form of the Company;

(vii) modify the Articles of Association and its annexes (including the Rules of Procedure for Shareholders' Meeting and the Rules of Procedure for Directors' Meeting) of the Company;

(viii) to resolve on the matter of the appointment and dismissal of accounting firms of the Company, which perform the audit of the Company;

(ix) consider and approve the guarantee issue stipulated in the Articles of Association;

(x) consider the matter that the Company's purchase or sale of material assets within one year exceeds 30% of its latest audited total assets;

(xi) consider and approve the change of fundraising purpose;

(xii) consider the equity incentive plan and employee stock ownership plan;

(xiii) consider the related (connected) transactions requiring shareholder approval in accordance with the Hong Kong Listing Rules;

(xiv) consider financing matters requiring shareholder approval by the Company under the Hong Kong Listing Rules;

(xv) consider other issues to be decided by general meeting under the laws, regulations, statutes, local listing rules 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 six (6) months after the ending of previous financial year.

The Company shall hold extraordinary general meeting within two (2) months in any of the following events:

(i) the number of directors is less than the number specified in the Company Law or two-thirds (2/3) of the number required by the Articles of Association;

(ii) the uncompensated loss amounts to one-third (1/3) of the Company's paid-in capital;

(iii) the shareholder holding more than ten percent (10%) shares of the Company singly or in aggregate requires;

(iv) the Board believes it's necessary;

(v) the Audit Committee proposes a holding of meeting;

(vi) otherwise under the laws, regulations, statutes, local listing rules or the Articles of Association.

The place for the shareholders' meeting shall be the domicile of the company or the place specified in the notice of the shareholders' meeting.

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. Shareholders who participate in the shareholders¡¦ meeting through the above-mentioned ways shall be deemed present.

Convening of General Meeting

The Board of Directors shall timely convene 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 ten (10) days, saying yes or no, under the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. Saying yes, the Board will issue a notice of general meeting within five (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 ten (10) days, saying yes or no, under the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Saying yes, the Board will issue a notice of general meeting within five (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 ten (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 convene and chair a general meeting on its own.

The shareholder holding more than ten percent (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 ten (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 five (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 ten (10) days from request, the shareholder holding more than ten percent (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 five (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 convene or chair a general meeting, then the shareholder holding more than ten percent (10%) shares of the Company singly or in aggregate for over ninety (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 the stock exchange.

When issuing the notice of general meeting or announcing the decision, the Audit Committee or the convening shareholders shall submit relevant supporting materials to the stock exchange.

Before the decision is announced, the percentage of shareholders convening general meeting shall not be lower than ten percent (10%).

For a general meeting convened 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 share register obtained by the convener may not be used for other purposes except convention of a general meeting.

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 one percent (1%) shares of the Company singly or in aggregate may propose to the Company.

The shareholder holding more than one percent (1%) shares of the Company singly or in aggregate may propose temporarily to the convener of meeting ten (10) days prior to the holding of general meeting. The convener shall issue an additional notice of general meeting within two (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, regulations or the Articles of Association or falls out of the terms of reference of the general meeting.

Otherwise, after the convener 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 convener shall send a notice by announcing to all shareholders twenty-one (21) days prior to the holding of annual general meeting, or fifteen (15) days prior to the holding of extraordinary general meeting.

A notice of general meeting shall include:

(i) time, date, place and period of meeting;

(ii) matters and proposals to be submitted to the meeting;

(iii) 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;

(iv) the date of shares registration for the shareholders who may attend the general meeting;

(v) contact person's name and telephone number;

(vi) time and process of online voting or otherwise.

After the notice of general meeting is issued, the same meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefore at least two (2) workdays prior to the date on which the meeting is originally scheduled.

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, regulations, statutes, local listing rules 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 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 convener shall chair the general meeting. When the convener 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 convened by a shareholder on its own shall be chaired by the convener 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 convening, 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 drafted 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 two-thirds (2/3) voting rights represented by the shareholders present at general meeting shall vote for relevant motion.

Ordinary resolution may concern:

(i) Board's work report;

(ii) Board's profit distribution plan and loss compensation plan;

(iii) Board member's appointment, dismissal, remuneration and payment methods;

(iv) other matters by pecial resolutions under the laws, regulations, statutes, local listing rules or the Articles of Association.

Special resolution may concern:

(i) increase or decrease of the registered capital of the Company;

(ii) division, spin-off, merger, dissolution, liquidation or transformation of the form of the Company;

(iii) amendment to the Articles of Association and its attachments, including the Proceeding Rules of General Meeting and the Proceeding Rules of Board of Directors;

(iv) the Company's purchase, sale of major assets or provision of guarantees to others within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;

(v) equity incentive scheme;

(vi) any other matter specified in the laws, administrative regulations, departmental rules, securities regulatory rules of the stock exchange in the place where the shares of the Company are listed or the Articles of Association and confirmed by an ordinary resolution at a general meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions.

Shareholders (including shareholders whose agents are present at the shareholders' meeting) may exercise their voting rights according to the number of voting shares they represent, and one vote for one share.

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 thirty-six (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 one percent (1%) voting shares or the investor protection organization established under the laws, administrative 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 related transaction, related 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-related shareholders.

Related shareholders shall actively apply for evasion. When a related shareholder does not apply for evasion actively, other knowing shareholders may require it to evade. When general meeting is considering a related transaction, the chair of meeting shall announce the list of related shareholders, specifying whether they take part in the voting or not, and announce the total number of voting shares represented by non-related 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 three (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, regulations, statutes 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.

There shall be one employee representative on the board of directors. The employee representatives on the board of directors shall be democratically elected by the employees of the company through the workers' congress and need not be submitted to the shareholders' meeting for deliberation.

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:

(i) not misappropriate the Company's properties or funds;

(ii) not deposit the Company's funds in bank account created in its own name or in other's name;

(iii) not bribe or take other illegal income on duty;

(iv) not contract or trade with the Company directly or indirectly, before reporting to and obtaining a resolution at the Board or general meeting;

(v) 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;

(vi) not operate similar business with the Company for itself or for others, before reporting to and obtaining a resolution at Board or general meeting;

(vii) not occupy other's commission for trading with the Company;

(viii) not disclose the Company's secret without permission;

(ix) not use its related relationship to damage the Company's interests;

(x) other obligations of loyalty under the laws, regulations, statutes, local listing rules 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:

(i) prudently, carefully, and diligently exercise the rights vested by the Company, to ensure the Company's business operations comply with national laws, admininstrative regulations and various economic policies, and its business activities do not fall out of the business scope listed in the business license;

(ii) treat all shareholders fairly;

(iii) understand the Company's operation and management timely;

(iv) sign written confirmation on the Company's documents of securities issuance and regular reports, to ensure the truth, accuracy and integrity of information disclosed by the Company;

(v) provide relevant conditions and materials as be to the Audit Committee, without precluding the Audit Committee from exercising its powers;

(vi) others under the laws, regulations, statutes, local listing rules and the Articles of Association.

If a director fails to attend by person without justifiable reasons 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 will survive within 12 months from such resignation or expiration. The director's obligation to keep the Company's trade secrets confidential shall remain valid after his/her appointment until such secret becomes public information. 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, 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 three (3) independent directors. The Board of Directors has one chairman, but no vice chairman. Chairman is 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 shall exercise the following functions and powers:

(i) convene a general meeting, and report to general meeting;

(ii) carry out a resolution of general meeting;

(iii) decide the Company's operating and investment plans;

(iv) develop the Company's profit distribution and loss compensation plans;

(v) develop the Company capital increase/decrease, bond/securities issuing and listing plans;

(vi) formulate the Company's plans of significant acquisition, shares repurchase or merger, spin-off, dissolution and change of the form of the Company;

(vii) within the authority of general meeting, decide the Company's external investment, assets purchase/sale, assets pledge, external guarantee, entrusted wealth management, related transaction and external donation etc.;

(viii) decide the Company's internal management setup;

(ix) 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;

(x) develop the Company's fundamental management system;

(xi) develop the modification of the Articles of Association;

(xii) manage the Company's information disclosure;

(xiii) propose engagement or replacement of CPA firm to general meeting;

(xiv) listen to GM's work briefing and check GM's work;

(xv) review financing matters requiring board approval in accordance with the Hong Kong Listing Rules;

(xvi) consider other guarantee than those to be approved by general meeting;

(xvii) others powers vested by the laws, regulations, statutes, local listing rules, the Articles of Association or the general meeting.

Any matter beyond the authority of general meeting shall be submitted to the general meeting for consideration.

When the Board is considering a guarantee issue, a resolution is effective only with consent of more than two-thirds (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 shall exercise the following functions and powers:

(i) chair a general meeting, call and chair a Board meeting;

(ii) urge and inspect the performance of Board resolution;

(iii) sign relevant documents on behalf of the Company, sign important Board documents;

(iv) other functions and powers conferred by the Articles of Association or the Board.

When the chairman is unable or fails to perform its duties, a majority of directors shall elect one director from them to perform the duties.

The Board shall convene at least four meetings annually, which shall be convened by the Chairman. All directors shall be notified at least fourteen (14) days prior to the meeting through personal delivery, fax, email, or other means.

The shareholders representing more than 1/10 voting rights, more than one-third (1/3) directors or the Audit Committee may propose extraordinary meeting to Board. The chairman shall call and chair the Board meeting within ten (10) days after receiving the proposal.

Upon written proposal by one director specifying the matters to be discussed, the Chairman shall convene an extraordinary meeting of the Board of Directors. If the Chairman refuses or is unable to convene the meeting, a director jointly nominated by a majority of directors shall convene and preside over the meeting.

No Board meeting shall be held unless attended by more than half of the directors, i.e. the quorum of Board meeting shall be five (5). 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 Power of Attorney 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 related affairs, a non-related director shall not appoint a related 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:

(i) take part in Board decision making and give clear opinions on discussions;

(ii) supervise potential conflict of significant interests between the Company and its controlling shareholder, actual controller, directors and executives, and protect the legitimate rights and benefits of minority shareholders;

(iii) provide professional and objective suggestions on the Company's operation and development, improve the Board's decision-making level;

(iv) others under the laws, regulations, statutes, local listing rules and the Articles of Association.

An independent director may specially:

(i) engage an intermediary to audit, advise or verify the Company's specific affairs independently;

(ii) propose extraordinary general meeting to the Board;

(iii) propose Board meeting;

(iv) lawfully collect voting rights from shareholders openly;

(v) give independent opinions on the event that may damage the rights and benefits of the Company or minority shareholders;

(vi) others under the laws, regulations, statutes, local listing rules and the Articles of Association.

An independent director to exercise its powers (i) to (iii) above shall obtain the consent from a majority of independent directors.

Special committees under the Board

The Board sets up the Audit Committee, to exercise the duties of Supervisory Committee under the Company Law of the PRC.

The Audit Committee shall have three (3) members, which shall not include the executive director, and most of its members shall be independent directors, with the chairman being an independent director who is an accounting professional.

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:

(i) disclosure of financial information and internal control appraisal reports contained in the financial/accounting reports and regular reports;

(ii) engagement or dismissal of CPA firm as auditors of the listed company;

(iii) engagement or dismissal of CFO of the listed company;

(iv) change of accounting policies, accounting estimates or correction of significant accounting errors for other reason than change of accounting standards;

(v) others under the laws, administrative regulations, CSRC Regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Board sets up Nomination and Remuneration & Examination 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 chairman shall be an independent director. Nomination Committee shall have at least one director whose gender is different with the rest.

Nomination Committee shall formulate the directors/executives selection standards and procedures, select and review the candidates and their eligibility, and give advice to the Board concerning:

(i) nomination or appointment or dismissal of directors;

(ii) engagement or dismissal or executives;

(iii) others under the laws, administrative regulations, CSRC Regulations, 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:

(i) remuneration of directors or executives;

(ii) development or change of equity incentive scheme, staff shareholding scheme, benefits of incentives, and conditions for exercise of rights;

(iii) director or executive's shareholding scheme in the subsidiary to be divided;

(iv) others under the laws administrative regulations, CSRC regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Executives

The Company has one general manager (GM), to be engaged or dismissed by the Board. The company has deputy general manager, chief financial officer, secretary of the board of directors and other persons appointed by the board of directors shall be the company's senior management personnel, 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 shall be accountable to the Board and exercise the following functions and powers :

(i) chair the Company's operation and management, organize and implement Board resolution, and report to his/her work the Board;

(ii) organize and implement the Company's annual operating and investment plans;

(iii) formulate the Company's internal management setup plan;

(iv) formulate the Company's fundamental management system;

(v) develop the Company's specific rules;

(vi) propose engagement or dismissal of deputy GM, CFO or other executives to the Board;

(vii) decide to engage or dismiss responsible managers other than those to be engaged or dismissed by the Board;

(viii) other powers vested by the Articles of Association the general meeting or the Board.

The deputy GM of the company shall be nominated by the GM and appointed by the board of directors. The deputy GM shall work under the leadership of the general manager, and the specific powers and duties shall be stipulated in the Working Rules of the General Manager.

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. Secretary shall comply with the laws, regulations, statutes, local listing rules and the Articles of Association. The secretary of the board of directors shall be nominated by the chairman of the board of directors and appointed by the board of directors. The specific functions and powers are stipulated in the Working System of the Secretary of the Board of Directors.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and requirements of competent authorities of the State.

Within four (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 two (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 ten percent (10%) of its profits for the Company's statutory reserve until the fund has reached fifty percent (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 executives 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 Company shall appoint one or more receiving agents in Hong Kong on behalf of H-share shareholders. The receiving agent shall collect and hold in trust for the relevant H-share shareholders any dividends and other amounts payable by the Company in respect of H-shares, pending payment to such shareholders. The receiving agent appointed by the Company shall comply with applicable laws, regulations, and securities regulatory rules of the place where the Company's shares are listed.

The premium received by the company from issuing shares at a price exceeding their par value, along with other items specified by the financial department of the State Council to be included in capital reserves, shall be recorded as the company's capital reserves.

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 may distribute dividends in the form of cash, stock, or a combination of both. Each year, based on its operating performance and market conditions, the Company implements a consistent and stable dividend distribution policy while fully considering shareholder interests.

When the Company's most recent annual audit report contains a non-unqualified opinion or an unqualified opinion with a paragraph regarding significant uncertainties related to going concern, profit distribution may be withheld.

The Company's profit distribution sequence is as follows: When conditions permit cash dividends, cash dividends shall be the preferred method of profit distribution.

The Company shall meet all of the following conditions when proposing cash dividends:

(i) The Company's distributable net profit (i.e., net profit remaining after offsetting losses and allocating reserves) for the relevant fiscal year or half-year is positive, and cash flow is sufficient, ensuring that cash dividends will not impact the Company's subsequent ongoing operations;

(ii) The Company's cumulative distributable profits are positive;

(iii) The auditing institution issues an unqualified audit opinion on the company's financial statements for that fiscal year;

(iv) The company has no major investment plans or significant cash expenditures (excluding projects funded by raised capital).

If the conditions for cash dividends are not met, the company may distribute profits through stock dividends. When distributing profits via stock dividends, the Company's board of directors shall formulate the distribution plan by comprehensively considering the Company's growth potential and the dilution effect on net assets per share.

The annual profit distribution proposal shall be initiated and drafted by the Chairman of the Board in accordance with the provisions of the Articles of Association, the Company's profitability, capital requirements, and shareholder return plan. After deliberation and approval by the Board of Directors and the Audit Committee, it shall be submitted to the Shareholders' Meeting for approval.

The Audit Committee shall supervise the Board of Directors' implementation of the Company's profit distribution policy and shareholder return plan, as well as the decision-making procedures.

After the shareholders' meeting resolves on the profit distribution plan, or after the board of directors formulates a specific plan based on the interim dividend conditions and upper limit approved by the annual shareholders' meeting for the following year, the distribution of dividends (or shares) shall be completed within two (2) months after the shareholders' meeting.

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 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 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 thirty (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:

(i) by hand;

(ii) by email;

(iii) by announcement;

(iv) by electronic means;

(v) 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, email, electronic means 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 ten (10) days from the date of the resolution approving the merger and publish an announcement of the same within thirty (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 thirty (30) days of the receipt of the above notice or within forty-five (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 ten (10) days from the date of the resolution approving the division and publish an announcement of the same within thirty (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 ten (10) days from the date of the Company's resolution for reduction of registered capital, and publish an announcement of the same within thirty (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 thirty (30) days of the receipt of the above notice or within forty-five (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 is 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 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 is ordered to close down or is revoked;

(v) 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 ten percent (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 ten (10) days.

If the Company is dissolved as a result of the provisions of items (i), (ii), (iv) and (v) 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 fifteen (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:

(i) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;

(ii) to notify the creditors and publish announcements;

(iii) to deal with and settle the outstanding business of the Company that is related to the liquidation;

(iv) to pay all outstanding taxes and taxes arising in the course of liquidation;

(v) to settle claims and debts;

(vi) to allot the remaining assets of the Company after its debts have been paid off;

(vii) to participation in civil lawsuits on behalf of the Company.

The liquidation committee shall notify creditors within ten (10) days after its establishment and shall publish an announcement of the same within sixty (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 thirty (30) days of the receipt of the above notice or within forty-five (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:

(i) 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;

(ii) the conditions of the Company have changed, and such change is not covered in the Articles of Association;

(iii) 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.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

Our Company was incorporated as a limited liability company under the laws of the PRC in December 2014 and was converted into a joint stock company with limited liability in December 2024. Our registered address and principal place of business is at No. 888, Huarun Road, Central Electromechanical Industrial Park, Zhongxindian Town, Zoucheng City, Jining City, Shandong Province, PRC.

We have established a place of business in Hong Kong at Room 1915, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on October 15, 2025. Ms. Lai Janette Tin Yun (賴天恩), our joint company secretary, is the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance. The address for service of process on our Company in Hong Kong is the same as its principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. An overview of the relevant aspects of laws and regulations of the PRC is set out in the section headed "Regulatory Overview" in this document. A summary of our Articles of Association is set out in Appendix V to this document.

B. Changes in the Share Capital of our Company

On December 9, 2024, our Company was converted into a joint stock company with limited liability, whose registered share capital was RMB22,500,000 consisting of 22,500,000 Unlisted Shares with a nominal value of RMB1.00 each, which has been fully paid up by our promoters.

On December 27, 2024, the Shareholders of our Company resolved to increase the registered share capital of Company to RMB22,990,385, with the additional RMB490,385 subscribed by Shandong Zhengfang.

On June 25, 2025, the Shareholders of our Company resolved to increase the registered share capital of our Company to RMB23,869,429, with the additional RMB879,044 subscribed by Pinghu Jinluo Equity Investment Partnership (Limited Partnership) (平湖金珞股權投資合夥企業(有限合夥)).

On September 16, 2025, our Shareholders resolved that each of our Share with nominal value of RMB1.00 will be subdivided into ten Shares with nominal value of RMB0.1 each immediately prior to the [**REDACTED**]. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB23,869,429, will be divided into 238,694,290 Shares with nominal value of RMB0.1 per Share.

Immediately following the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, assuming that the [**REDACTED**] is not exercised, our registered share capital will be increased to RMB[**REDACTED**], divided into [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares, fully paid up or credited as fully paid up, representing approximately [**REDACTED**]% and approximately [**REDACTED**]% of our enlarged share capital, respectively.

Save as disclosed above, there has been no alteration in the share capital within two years immediately preceding the date of this document.

C. Resolutions Passed by Our Shareholders' General Meeting in relation to the [REDACTED]

At the extraordinary general meeting of the Shareholders held on September 16, 2025, the following resolutions, among others, were duly passed:

(1) subject to the relevant regulatory approval and registration and the completion of the [**REDACTED**], the sub-division of the Shares with nominal value of RMB1.0 each on the basis of 1:10, after which, the nominal value of the Shares will be RMB0.1 each and the number of Shares will be 238,694,290;

(2) the issue by our Company of H Shares of nominal value of RMB0.1 each and such H Shares be [**REDACTED**] on the Stock Exchange;

(3) the proposed number of H Shares to be [**REDACTED**] under the [**REDACTED**] shall not exceed [**REDACTED**]% of the total enlarged share capital of our Company upon the [**REDACTED**]; and the number of H Shares to be [**REDACTED**] pursuant to the exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the total number of H Shares to be [**REDACTED**] initially pursuant to the [**REDACTED**];

(4) subject to the completion of the [**REDACTED**], the conditional adoption of the revised Articles of Association, which shall become effective on the [**REDACTED**];

(5) subject to the filing with CSRC is completed, upon completion of the [**REDACTED**], 226,759,580 Unlisted Shares will be converted into H Shares on a one-for-one basis; and

(6) authorization of our Board and its authorized persons to handle all matters relating to, among other things, the [**REDACTED**].

D. Changes in Share Capital of our Subsidiaries

The list of our subsidiaries is set out in Note 1 to the Accountants' Report, the text of which is set out in Appendix I to this Document.

Save as disclosed below, there has been no alteration in the share capital of any of our subsidiaries within the two years preceding the date of this document.

(1) On March 18, 2024, the registered share capital of Rokae Shandong was increased from RMB30,314,500 to RMB60,000,000.

(2) On August 4, 2025, Rokae (Zhejiang) Robotics Intelligent Technology Co., Ltd. (珞石（浙江）機器人智能科技有限公司) was incorporated as a limited liability company under the laws of the PRC with a registered share capital of RMB60,000,000.

(3) On August 22, 2025, Rokae New Energy was incorporated as a limited liability company under the laws of the PRC with a registered share capital of RMB5,000,000.

E. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see the section headed "Appendix V—Summary of Our Articles of Association" in this document.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contract

We have entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

(1) the [**REDACTED**].

B. Our Intellectual Property Rights

As of the Latest Practicable Date, our Company had registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Class	Owner	Place of Registration	Registration No.	Validity Period
1 . . .	ROKAE	41	Our Company	PRC	33277763	June 07, 2019 – June 06, 2029
2 . . .	ROKAE	39	Our Company	PRC	33273934	June 07, 2019 – June 06, 2029
3 . . .	ROKAE	45	Our Company	PRC	33269962	June 07, 2019 – June 06, 2029
4 . . .	ROKAE	9	Our Company	PRC	33273553	June 07, 2019 – June 06, 2029
5 . . .	ROKAE	35	Our Company	PRC	33271598	June 07, 2019 – June 06, 2029
6 . . .	珞石	9	Our Company	PRC	33283003	August 28, 2019 – August 27, 2029
7 . . .	珞石	41	Our Company	PRC	33284030	June 07, 2019 – June 06, 2029
8 . . .	珞石	45	Our Company	PRC	33273880	June 07, 2019 – June 06, 2029
9 . . .	ROKAE	7	Our Company	PRC	33286303	June 07, 2019 – June 06, 2029
10. . .	珞石	39	Our Company	PRC	33273870	June 07, 2019 – June 06, 2029
11. . .	ROKAE	42	Our Company	PRC	22926761	February 28, 2018 – February 27, 2028
12. . .	ROKAE	40	Our Company	PRC	22927247	February 28, 2018 – February 27, 2028
13. . .	珞石	35	Our Company	PRC	20642931	September 7, 2017 – September 6, 2027

No.	Trademark	Class	Owner	Place of Registration	Registration No.	Validity Period
14. . .	珞石	40	Our Company	PRC	20642843	September 7, 2017 – September 6, 2027
15. . .	珞石	7	Our Company	PRC	20642792	September 7, 2017 – September 6, 2027
16. . .	珞石	42	Our Company	PRC	20643029	September 7, 2017 – September 6, 2027
17. . .	ROKAE	10	Our Company	PRC	53525154	September 21, 2021 – September 20, 2031
18. . .	xMate	7	Our Company	PRC	49217774	April 7, 2021 – April 6, 2031
19. . .	xMate	10	Our Company	PRC	49211990	April 21, 2021 – April 20, 2031
20. . .	xMate	42	OurZ Company	PRC	49225116	April 7, 2021 – April 6, 2031
21. . .	ROKAE	7, 9, 10	Our Company	Hong Kong	307001306	August 19, 2025 – August 18, 2035

Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business:

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
1 . .	Our Company	A Functional Safety Hardware Architecture for Collaborative Robots (一種協作機器人功能安全硬件架構)	2023108084413	Invention	July 04, 2023	September 1, 2023
2 . .	Our Company	A Hybrid Control Method for Single Joint of Robots (一種機器人單關節混合控制方法)	2022109649623	Invention	August 12, 2022	November 8, 2022
3 . .	Our Company	A Robot Model Information Identification Method (一種機器人模型信息辨識方法)	2021102329494	Invention	March 03, 2021	October 4, 2022
4 . .	Our Company	An External Force Observation Method Based on Joint Torque Sensors (一種基於關節扭矩傳感器的外力觀測方法)	2021102329259	Invention	March 03, 2021	August 30, 2022
5 . .	Our Company	A Robotic Arm Trajectory Planning Method Based on Robust Constraint Control (一種基於魯棒約束控制的機械臂軌跡規劃方法)	2022102849101	Invention	March 23, 2022	July 8, 2022

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
6 . .	Our Company	A Straight-Line Transition Path Generation Method with Minimum Curvature (一種最小曲率的直線過渡路徑生成方法)	202210256214X	Invention	March 16, 2022	June 10, 2022
7 . .	Our Company	A Method for Adjusting Gear Backlash of Robot Joints and Between Joints (機器人關節及關節間齒輪齒隙調節方法)	2022102289788	Invention	March 10, 2022	May 27, 2022
8 . .	Our Company	A Zero-Point Calibration Structure and Calibration Method for Industrial Robot Joints (一種工業機器人關節零點標定結構及標定方法)	2020102101021	Invention	March 23, 2020	December 17, 2021
9 . .	Our Company	A Search Assembly Method Combined with Force Control (結合力控的搜索裝配方法)	2019107139802	Invention	August 02, 2019	September 3, 2021
10 .	Our Company	A Joint Vibration Suppression Method Based on Iterative Learning Control and Input Shaping Technology (基於疊代學習控制和輸入整形技術的聯合抑制振動的方法)	2018100978239	Invention	January 31, 2018	June 8, 2021
11. .	Our Company	A Method for Solving Circular Arc Trajectories in Industrial Robots Based on Spatial Analytic Geometry (基於空間解析幾何求解工業機器人中圓弧軌跡的方法)	2016101514942	Invention	March 16, 2016	January 22, 2019
12 .	Our Company	A Method for Solving Compound Constraints of Industrial Robot Operating Space Paths (工業機器人操作空間路徑複合限制求解方法)	2016101469400	Invention	March 15, 2016	May 29, 2018
13 .	Our Company	A Spatial Trajectory Smoothing Method Based on Speed Optimal Control (一種基於速度最優控制的空間軌跡平滑方法)	2015104931011	Invention	August 12, 2015	April 12, 2017
14 .	Rokae Shandong	An Online Trajectory Planning Method and Device for Industrial Robots Based on Variable-Structure Filters (基於變結構濾波器的工業機器人在線軌跡規劃方法及裝置)	2020115525135	Invention	December 24, 2020	September 2, 2022
15 .	Rokae Shandong	A High-Precision Robot Assembly Method Based on Visual Serving (一種基於視覺伺服的機器人高精度裝配方法)	2021101705832	Invention	February 08, 2021	June 21, 2022
16 .	Rokae Shandong	A Robot Attitude-Smoothing Path Generation Method Based on Spline Curves (一種基於樣條線機器人姿態平滑路徑生成方法)	2018115926824	Invention	December 25, 2018	March 29, 2022

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
17 .	Rokae Shandong	A High-Precision Control Device and Method for Industrial Robots (用於工業機器人的高精度控制裝置及方法)	2018105155577	Invention	May 25, 2018	July 30, 2021
18 .	Rokae Shandong	A Collaborative Planning Method for Industrial Robots and Guide Rails (一種工業機器人和導軌協同規劃方法)	2017102503988	Invention	April 17, 2017	June 16, 2020
19 .	Rokae Shandong	An S-Curve Stopping Profile Speed Rule for Non-Zero Initial States and Its Online Solving Method (非零初始狀態S型停止曲線速度規則及其在線求解方法)	2017106290406	Invention	July 28, 2017	December 13, 2019
20 .	Rokae Beijing	An Efficient Online Generation Method for Time-Optimal Trajectories (一種高效的時間最優軌跡在線生成方法)	2022107852810	Invention	July 26, 2022	September 20, 2022

Domain Names

As of the Latest Practicable Date, we had registered the following domain names which we considered to be material to our business:

No.	Domain Name	Name of Registered Proprietor	Date of Approval
1	rokae.com	Rokae Beijing	December 5, 2023
2	43.243.139.171	Rokae Beijing	March 5, 2024

Software Copyrights

As of the Latest Practicable Date, we had registered the following software copyrights which we considered to be material to our business:

No.	Software Name	Owner	Registration No.
1	General Industrial Robot Teach Pendant Software (通用工業機器人示教器軟件)	Our Company	2015SR255896
2	Gear Strength Checking Software (齒輪強度校覈軟件)	Our Company	2015SR266610
3	Robot Ethercat Communication System (機器人Ethercat通信系統)	Our Company	2016SR054817
4	Industrial Robot Language Compiler Design Software (工業機器人語言編譯器設計軟件)	Our Company	2016SR054606
5	Robot Database Software (機器人數據庫軟件)	Our Company	2016SR065034
6	Industrial Robot Coordinate System Calibration Software (工業機器人座標系標定軟件)	Our Company	2016SR064065
7	Robot Upgrade Service Communication System (機器人升級服務通信系統)	Our Company	2025SR1371248
8	Rokae Robotics Coordinate Point Conversion Software (珞石機器人座標點轉換軟件)	Rokae Shandong	2018SR346777

No.	Software Name	Owner	Registration No.
9	Rokae Control System Configuration Software (珞石控制系統配置軟件)	Rokae Shandong	2018SR347332
10	Rokae Database Encryption Software (珞石數據庫加密軟件)	Rokae Shandong	2018SR346759
11	Rokae Robotics Optional Function Authorization Software (珞石機器人可選功能授權軟件)	Rokae Shandong	2018SR346771
12	Automatic Tool Edge Grinding Trajectory Generation Software for Industrial Robots (工業機器人刀具開刃軌跡自動生成軟件)	Suzhou Kono Robotics Co., Ltd.(蘇州科諾機器人有限責任公司) ("Suzhou Kono")	2019SR1453342
13	Multi-Robot Production Scheduling Software (多機器人生產調度軟件)	Suzhou Kono	2020SR0137879
14	Dynamic Parameter Identification Motion Generation Software for Industrial Robots (工業機器人動力學參數辨識運動生成軟件)	Suzhou Kono	2020SR0137254
15	Robot Modeling, Control and Simulation Software (機器人建模控制仿真軟件)	Suzhou Kono	2020SR0137908
16	Robot Diagnostic Platform (機器人診斷平臺)	Rokae Wuhan	2022SR1002958
17	Robot Zero-Point Calibration Software (機器人零點標定軟件)	Rokae Wuhan	2022SR0778046
18	Robot Safety Control System (機器人安全控制系統)	Rokae Wuhan	2022SR0781455
19	A Platform for Analyzing Robotic Arm Vibration Data (一種用於分析機械臂振動數據平臺)	Rokae Wuhan	2022SR0790624
20	Robot Programming Language Parsing Software (機器人編程語言解析軟件)	Rokae Wuhan	2022SR1273891

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Contracts

Each of our Directors has entered into a service contract with our Company date [●]. Each service contract is for an initial term of three years. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

B. Remuneration of Directors

See "Directors and Senior Management" and Note 12 to the Accountants' Report in Appendix I to this document for the remuneration or benefits in kind paid to our Directors for the three years ended December 31, 2025.

During the Track Record Period, no fees were paid by our Group to any of the Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office.

4. DISCLOSURE OF INTERESTS

A. Disclosure of Interests of Directors and Chief Executive of Our Company

Save as disclosed below, immediately following the completion of the Share Subdivision, the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares (assuming that the [**REDACTED**] is not exercised), none of our Directors or chief executive has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were 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, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once [**REDACTED**] on the Stock Exchange.

			As of the Latest Practicable Date		Immediately following the completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)			
Name of Director	Our Company/ associated corporation	Capacity/ nature of interest	Number of Unlisted Shares	Approximate percentage of shareholding in the total issued share capital of our Company	Number of Shares	Description of Shares	Approximate percentage of shareholding in our Unlisted Shares/ H Shares (as appropriate)	Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Tuo[(1)]	Our Company	Beneficial owner	3,212,011	13.46%	[**REDACTED**]	H Shares	[REDACTED]%	[REDACTED]%
					[**REDACTED**]	Unlisted Shares	[REDACTED]%	[REDACTED]%
		Interest in controlled corporation	3,686,232	15.44%	[**REDACTED**]	H Shares	[REDACTED]%	[REDACTED]%
		Interest of a party to an agreement regarding interest in the Company	2,359,018	9.88%	[**REDACTED**]	H Shares	[REDACTED]%	[REDACTED]%

(1) See "Substantial Shareholders" for details.

B. Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this document, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, would fall to be disclosed to our Company under the provisions of Divisions 2 an 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any member of our Group.

C. Disclaimers

(1) none of our Directors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(2) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole; and

(3) save as disclosed in the sections headed "Substantial Shareholders" and "—C. Further Information about our Directors, Supervisors and Substantial Shareholders—4. Disclosure of interests—A. Disclosure of interests of Directors, Supervisors and chief executive of our Company", so far as is known to our Directors, none of our Directors their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group in each year during the Track Record Period.

5. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty under the PRC laws is likely to fall on our Company or its subsidiaries.

B. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any outstanding material litigation or arbitration which may have material and adverse effect on the [**REDACTED**] and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

C. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the [**REDACTED**] Committee for the [**REDACTED**] of, and permission to [**REDACTED**], our H Shares. The Joint Sponsors satisfy the independence criteria applicable to a sponsor as set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will be paid by our Company a total fee of HK$4 million to act as the sponsor in connection with the [**REDACTED**].

D. Compliance Advisor

Our Company has appointed Rainbow Capital (HK) Limited as the compliance advisor upon the [**REDACTED**] in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

We have not incurred any material preliminary expenses.

F. Promoters

See "History, Development and Corporate Structure—Our Company and Major Shareholding Movement during the Track Record Period—Joint Stock Reform of our Company" for details of our promoters.

Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the [**REDACTED**] and the related transactions described in this document.

G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this document, are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	Licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Guotai Junan Capital Limited	Licensed corporation to conduct Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified public accountants and public interest entity auditors
Allbright Beijing Law Office	PRC Legal Advisor
King & Wood	International Sanctions Legal Advisor
China Insights Industry Consultancy Limited	Independent industry consultant

H. Consents of Experts

Each of the experts named in "5. Other Information—G. Qualification of Experts" above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above had any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer is effected on the [**REDACTED**] of members of our Company, including in circumstances where such transaction is effect on the Stock Exchange. Intending holders of the H Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of [**REDACTED**] for, purchasing, holding or disposing of or dealing in the H Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the [**REDACTED**] will accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their [**REDACTED**] for, purchase, holding or disposal of or dealing in the H Shares or exercise of any rights attaching to them.

J. No Material and Adverse Change

Our Directors confirm that there has been no material and adverse change in the financial or trading position of our Group since December 31, 2025.

K. Binding Effect

This document shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

L. Related Party Transactions

Our Group entered into certain related party transactions within the two years immediately preceding the date of this document as mentioned in Note 44 to the Accountants' Report in Appendix I to this document.

M. Restriction on Share Repurchases

See Appendix IV to this document for details.

N. Miscellaneous

(1) Within the two years immediately preceding the date of this document:

(i) save as disclosed in the section headed "History, Development and Corporate Structure", no share or loan capital of our Group has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Group is under option or is agreed conditionally or unconditionally to be put under option;

(iii) save as disclosed in the section headed "[**REDACTED**]," no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Group; and

(iv) save as disclosed in the section headed "[**REDACTED**]," no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.

(2) There are no founder, management or deferred shares or any debentures in our Group.

(3) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

(4) Our Company has no outstanding convertible debt securities or debentures.

(5) There is no arrangement under which future dividends are waived or agreed to be waived.

(6) Save as disclosed in the section headed "History, Development and Corporate Structure," none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

(7) All necessary arrangements have been made to enable the H shares to be admitted into [**REDACTED**] for clearing and settlement.

(8) No company within our Group is presently listed on any stock exchange or traded on any trading system.

O. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in the section headed "Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts" in Appendix VI to this document; and

(b) the written consents referred to in the sub-section headed "Statutory and General Information—D. Other Information—7. Consents of Experts" in Appendix VI to this document.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **https://www.rokae.com** during a period of 14 days from the date of this document:

(a) the Articles of Association of the Company;

(b) the Accountants' Report prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Company for the three years ended December 31, 2025;

(d) the report from Deloitte Touche Tohmatsu on the unaudited [**REDACTED**] financial information, the text of which is set out in Appendix II to this document;

(e) the PRC legal opinion issued by Allbright Beijing law Office, our PRC Legal Advisor, in respect of certain aspects of our Group;

(f) the legal memorandum issued by King & Wood, our International Sanctions Legal Advisor;

(g) the material contracts referred to in the section headed "Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts" in Appendix VI to this document;

(h) the written consents referred to in the section headed "Statutory and General Information—D. Other Information—7. Consents of Experts" in Appendix VI to this document;

(i) the service contracts and the letters of appointment referred to in the sub-section headed "Statutory and General Information—C. Further Information about Our Directors and Substantial Shareholders—1. Particulars of Directors' Service Contracts and Letters of Appointment" in Appendix VI to this document;

(j) CIC Report; and

(k) the PRC Company Law and the PRC Securities Law together with their unofficial English translations.