廣東華沿機器人股份有限公司
Guangdong Huayan Robotics Co., Ltd.

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

Stock Code : 1021

GLOBAL OFFERING

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

CICC 中金公司

Deutsche Bank

Joint Bookrunners and Joint Lead Managers

富途證券 FUTU Securities International

浙商國際 ZHESHANG INTERNATIONAL

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

Guangdong Huayan Robotics Co., Ltd.
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(A joint stock company incorporated in the People's Republic of China with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**80,785,000 H Shares (subject to the Offer Size Adjustment Option and the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**4,039,400 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**76,745,600 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option)**
Offer Price	**:**	**HK$17.00 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB0.2 per H Share**
Stock code	**:**	**1021**

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

CICC 中金公司 Deutsche Bank

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

The Offer Price per Offer Share will be HK$17.00 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the Offer Price of HK$17.00 for each Hong Kong Offer Share together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%.

The Overall Coordinators, on behalf of the Underwriters, and with our consent may, where considered appropriate, reduce the number of Hong Kong Offer Shares and/or the Offer Price below that is stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Hong Kong Offer Shares will be published on the website of our Company at www.huayan-robotics.com and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Grounds for Termination" of this Prospectus.

Our Company is a Specialist Technology Company (as defined in Chapter 18C of the Listing Rules). The securities of Specialist Technology Companies carry high investment risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. Investors should fully understand the investment risks of a Specialist Technology Company and the risks disclosed by our Company before making their investment decisions.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may be offered and sold only (a) in the United States to "Qualified Institutional Buyer" in reliance on Rule 144A under the U.S. Securities Act or another exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and (b) outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act.

March 20, 2026

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. The Company will not provide any printed copies of this Prospectus to the public.

This Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the *"HKEXnews > New Listings > New Listing Information"* section, and our website at www.huayan-robotics.com. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

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

(1) apply online through the **HK eIPO White Form** service at **www.hkeipo.hk**; or

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

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

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

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

Your application must be for a minimum of 200 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the HKSCC EIPO channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
200	3,434.29	4,000	68,685.78	60,000	1,030,286.70	800,000	13,737,156.00
400	6,868.57	5,000	85,857.23	70,000	1,202,001.16	900,000	15,454,300.50
600	10,302.88	6,000	103,028.66	80,000	1,373,715.60	1,000,000	17,171,445.00
800	13,737.16	7,000	120,200.11	90,000	1,545,430.06	1,500,000	25,757,167.50
1,000	17,171.45	8,000	137,371.55	100,000	1,717,144.50	2,019,600(1)	34,679,450.33
1,200	20,605.73	9,000	154,543.00	200,000	3,434,289.00		
1,400	24,040.02	10,000	171,714.46	300,000	5,151,433.50		
1,600	27,474.31	20,000	343,428.90	400,000	6,868,578.00		
1,800	30,908.61	30,000	515,143.36	500,000	8,585,722.50		
2,000	34,342.89	40,000	686,857.80	600,000	10,302,867.00		
3,000	51,514.34	50,000	858,572.26	700,000	12,020,011.50		

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.huayan-robotics.com**.*

Hong Kong Public Offering commences . . . . .9:00 a.m. on Friday, March 20, 2026

Latest time for completing electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2] . . . . .11:30 a.m. on Wednesday, March 25, 2026

Application lists for the Hong Kong Public Offering open[3] . . . . .11:45 a.m. on Wednesday, March 25, 2026

Latest time for (a) completing payment for the **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[4] . . . . .12:00 noon on Wednesday, March 25, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** through HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close[3] . . . . .12:00 noon on Wednesday, March 25, 2026

(i) Announcement of:

- an indications of the level of interest in the International Placing, the level of applications in the Hong Kong Public Offering; and

- the basis of allocations of the Hong Kong Offer Shares to be published on our website at **www.huayan-robotics.com** and the website of the Stock Exchange at **www.hkexnews.hk** at or before . . . . 11:00 p.m. on Friday, March 27, 2026

(ii) Announcement of results of allocations in the Hong Kong Public Offering to be available through a variety of channels as described in "How to apply for the Hong Kong Offer Shares — B. Publication of Results" from . . . . 11:00 p.m. on Friday, March 27, 2026

(iii) Announcement of the Hong Kong Public Offering containing (1) and (2) above to be published on the websites of the Company and the Stock Exchange at **www.huayan-robotics.com**[6] and **www.hkexnews.hk** from . . . . 11:00 p.m. on Friday, March 27, 2026

Results of allocation for the Hong Kong Public Offering will be available at "Allotment Results" page at the designated results of allocations website at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function on a 24-hour basis from . . . . 11:00 p.m. on Friday, March 27, 2026

Dispatch of H Share certificates or deposit of H Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before[7] . . . . Friday, March 27, 2026

Dispatch of **HK eIPO White Form** e-Auto Refund payment instructions/refund checks (if applicable) on or before[8] . . . . Monday, March 30, 2026

Dealings in the H Shares on the Stock Exchange expected to commence at . . . . 9:00 a.m. on Monday, March 30, 2026

(i) All dates and times refer to Hong Kong local times and dates, except as otherwise stated.

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

(iii) If there is a "black" rainstorm warning signal or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, March 25, 2026, the application lists will not open or close on that day. See "How to Apply for the Hong Kong Offer Shares — E. Severe weather arrangements."

(iv) Applicants who apply for the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC through HKSCC's FINI system should refer to section headed "How to Apply for the Hong Kong Offer Shares — A. Applications the for Hong Kong Offer Shares — 2. Application Channels."

(v) None of the websites or any of the information contained on the website forms part of this Prospectus.

(vi) The H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be Monday, March 30, 2026, **provided that** the Global Offering has become unconditional in all respects and none of the Underwriting Agreements have been terminated in accordance with its terms at or before that time. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of the H Share certificates and prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The above expected timetable is a summary only. You should read carefully the sections headed "Underwriting" and "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" for details relating to the Structure of the Global Offering, procedures on the applications for Hong Kong Offer Shares, and expected timetable, including conditions, effect of bad weather and the dispatch of refund cheques and H Share Certificates.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

You should rely only on the information contained in this Prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not included in this Prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors or advisors, or any other person or party involved in the Global Offering. Information contained on our website, located at ***www.huayan-robotics.com***, does not form part of this Prospectus.

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This summary aims to give you an overview of the information contained in this Prospectus. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this Prospectus. You should read the entire Prospectus before you decide to invest in the Offer Shares. In particular, we are a specialist technology company seeking to list on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" in this Prospectus beginning on page 39. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a collaborative robotics company engaged in the development, manufacturing and sale of collaborative robots ("**cobots**") and core motion components for industrial automation applications. Within the broader robotics industry, robots are generally classified into traditional industrial robots, collaborative robots and service robots, with cobots forming a distinct category designed to enable precision automation in environments that require close and safe human collaboration. By revenue in 2024, the global cobot market reached RMB7.5 billion, accounting for approximately 1.7% of the overall global robot market of RMB431.6 billion, according to Frost & Sullivan. Leveraging our capabilities spanning core motion components, cobot hardware and hardware-native HRC Embodied Intelligence Control Platform, our cobots deliver high stability, precision and motion control. Our product design further enables customers and system integrators to conduct secondary development and tailor functionality to specific use cases. As a result, our cobots have been adopted across a broad range of industry sectors. Specifically, E Series cobots are primarily used in industrial manufacturing, consumer electronics and healthcare, supporting high-precision applications such as micro-component assembly, precision machining and medical testing. The S Series cobots are mainly deployed in the automotive and logistics sectors, including applications such as palletizing, machine tending, material handling and logistics automation. During the Track Record Period, we primarily sold our robot hardware to customers in Chinese Mainland, Europe, the Americas and other regions in Asia.

OUR PRODUCT PORTFOLIO

Leveraging our integrated hardware-software product design, we have developed a comprehensive product portfolio encompassing cobots and core motion components. Our offerings address diverse industrial automation needs across sectors such as 3C electronics, automotive, healthcare and metal processing, logistics, as well as the demand for precision motion components in humanoid robotics.

The following table sets forth our revenue breakdown by nature of products and cobot services in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(unaudited)*			
Sale of products	**108,943**	**99.5**	**174,076**	**99.3**	**308,202**	**99.3**	**204,341**	**99.1**	**280,033**	**99.7**
– Cobots	65,133	59.5	120,257	68.6	235,509	75.9	158,060	76.6	207,565	73.9
– Core motion components	43,810	40.0	53,819	30.7	72,693	23.4	46,281	22.4	72,468	25.8
Cobot Services[1]	**499**	**0.5**	**1,304**	**0.7**	**2,239**	**0.7**	**1,883**	**0.9**	**847**	**0.3**
Total	**109,442**	**100.0**	**175,380**	**100.0**	**310,441**	**100.0**	**206,224**	**100.0**	**280,880**	**100.0**

Note:

(1) Primarily represent the revenue derived from our provision of quality assurance and maintenance services in relation to our cobots sold to customers.

Cobots

Our cobot portfolio comprises two primary product lines — the E Series and the S Series — both integrated with our proprietary HRC Embodied Intelligence Control Platform.

- *E Series.* Mainly comprising Elfin-Basic, Elfin-Pro and Elfin-Ex Series, our E Series cobots cover both light- and heavy-duty cobots and are designed for high-precision tasks. Built on our self-developed mechanical foundation, along with our proprietary motors, in-house servo drives and advanced identification-and-compensation technologies, the E Series cobots minimize micro-vibration, deliver fast and accurate motion response and refine end-effector positioning by offsetting errors arising from joint stiffness and structural flexibility. Together, these attributes make the E Series ideal for tasks such as intelligent welding, micro-component assembly and surface finishing, where high accuracy and minimal vibration are essential.

- *S Series.* Launched in 2023, the S Series cover both light- and heavy-duty cobots and is categorized into different models based on payload capacity to address diverse application needs. With a maximum payload of up to 60 kg, the S Series uses our self-developed frameless torque motors to deliver joint torque of up to 72 Nm and substantially higher output torque than the E Series. Together with an optimized reducer design that maintains joint temperatures below 68°C even under a 50 kg full-load, the S Series offers the strength, stability and efficiency required for high-payload, high-throughput industrial scenarios such as palletizing, machine tending, material transfer and logistics automation. Its high mechanical strength and modularity also support rapid deployment in both standalone and integrated production systems.

- *HRC Embodied Intelligence Control Platform.* Our HRC Embodied Intelligence Control Platform is an integrated control system that enables multimodal perception, automatic decision-making and high-precision execution for intelligent human-robot collaboration. Serving as the foundational layer for scenario-based development and application scalability across our cobot product portfolio, the HRC platform supports our customers in developing cobot applications that involve dynamic, real-time interaction between cobots and their environments in diverse industrial settings.

Core Motion Components

In addition to our cobot offerings, we provide a range of proprietary core motion components, including frameless torque motors, servo drives, joint modules and precision motion platforms. We combine precision mechanical engineering with proprietary control algorithms to develop components that deliver high performance metrics, which form the foundation of our own cobots while also being deployed in third-party applications ranging from industrial automation to advanced humanoid robots. We are the only cobot provider in China among top cobot companies that offers our core motion components for external sales.

Commercialization

We have adopted a transaction-based model for the sales of our products. Since the launch of our first cobot in 2017, we have achieved rapid commercialization of both cobot and core motion component products over the past decade. As of the Latest Practicable Date, we had achieved the successful commercialization of two major cobot series and all core motion component products.

Our industry consultant, Frost & Sullivan, confirms and our Directors and Joint Sponsors are of the view that each of our products and services fall within an acceptable sector of a Specialist Technology Industry, namely, Robotics and Automation under Advanced Hardware and Software as defined under Chapter 18C of the Listing Rules. We have met the revenue requirement of HK$250 million to qualify as a Commercial Company in 2024 as set out in Rule 18C.03(4) of the Listing Rules.

The following table sets forth a breakdown of our sales volume and average selling price ("**ASP**") by E Series and Series cobot products for the periods indicated:

	Year ended December 31,						**Nine months ended September 30,**			
	2022		**2023**		**2024**		**2024**		**2025**	
	Sales Volume	*ASP (RMB)*	*Sales Volume*	*ASP (RMB)*	*Sales Volume*	*ASP (RMB)*	*Sales Volume*	*ASP (RMB)*	*Sales Volume*	*ASP (RMB)*
E Series . .	843	63,194	1,728	58,285	2,854	64,829	1,906	65,483	2,556	55,941
S Series . .	–	–	93	86,753	310	79,378	191	82,729	808	56,388

Our pricing policy is tailored to the technical specifications of each product type. We employ a tiered pricing model that adjusts based on factors such as purchase volume and the strategic nature of the partnership. As advised by Frost & Sullivan, the average selling price ("**ASP**") of our products is in line with the industry range. For detailed pricing policy, see "Business—Pricing."

The following table sets forth our key operating metrics during the Track Record Period:

	Year ended/As of December 31,			**Nine months ended/As of September 30,**
	2022	**2023**	**2024**	**2025**
Number of new customers[(1)] . . .	239	306	390	299
Number of key customers[(2)]. . . .	38	55	77	62
Total number of customers	298	493	525	478
Customer acquisition cost (RMB'000)	133.7	197.5	107.5	131.5
Key customer revenue contribution (%)	72.9	76.6	82.9	84.9

	Year ended/As of December 31,			Nine months ended/As of September 30,
	2022	2023	2024	2025
Key customer retention rate[4] (%)	N/A	86.8	83.6	80.4
Key customer net dollar retention rate (%)[5]	N/A	131.2	169.6	124.5

Notes:

(1) Refers to the number of customers that generated revenue for the first time during the relevant year/period.

(2) Refers to customers with revenue contribution of RMB500,000 or more during a given year/period.

(3) Refers to selling and distribution expenses divided by the number of new customers acquired during the relevant year/period.

(4) Refers to the percentage of key customers in the previous year/period that made repeat purchases during the current year/period.

(5) Refers to the percentage of recurring revenue generated from key customers in the previous year/period that is retained from those same customers in the current year/period.

See "Business — Commercialization."

OUR STRENGTHS

We believe that the following strengths contribute to our leading market position, ensuring our success and distinguishing us from our competitors: (i) established market recognition in the rapidly expanding global cobot industry, (ii) full-stack hardware-software capabilities, (iii) industry-leading product performance, (iv) standardized cobot deployment for mission-critical applications, (v) scenario-centric ecosystem jointly developed with global industry leaders, and (vi) visionary leadership with strong technical background. See "Business—Our Strengths."

OUR STRATEGIES

We plan to implement the following growth strategies: (i) continue to strengthen R&D in cobot technologies, (ii) enhance the intelligence of our HRC Platform with AI technologies, (iii) improve cobot performance and application versatility, (iv) deepen our investment in core motion components for humanoid robots, (v) strengthen our sales channels and advance our global market expansion, and (vi) strengthen talent acquisition and development. See "Business—Our Strategies."

RESEARCH & DEVELOPMENT

Our R&D process follows a structured framework that takes into account key factors such as customer demand, feasibility analysis, technological advancements and use cases. Our R&D process primarily includes (i) concept stage, (ii) design stage, (iii) development and testing stage, and (iv) verification and commercialization stage. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, our research and development expenses were RMB55.4 million, RMB85.7 million, RMB47.3 million, RMB33.9 million and RMB51.0 million, respectively, representing 50.6%, 44.8%, 46.7%, 46.3% and 37.7% of our total annual operating expenditure, respectively.

INTELLECTUAL PROPERTY

Intellectual property rights play a crucial role in our business. As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we did not have any instances of infringement of third parties' intellectual property rights. As of the Latest Practicable Date, we held 238 patents across multiple jurisdictions, and all patents and patent applications related to our specialist technology products were solely owned by us, with no joint ownership or sharing arrangements with any third parties. See "Business — Intellectual Property Rights."

CUSTOMER

Our customers primarily include system integrators, end users and distributors, who are mainly industrial automation solution providers and equipment manufacturers across sectors including cognitive robotics, semiconductors, genetic sequencing, power batteries and consumer electronics. During the Track Record Period, the majority of our revenue from direct sales was revenue from system integrators. In 2022, 2023, 2024 and the nine months ended September 30, 2025, our revenue from the five largest customers in each year/period during the Track Record Period was RMB56.1 million, RMB85.2 million, RMB188.1 million and RMB155.4 million, respectively, accounting for 51.2%, 48.5%, 60.6% and 55.3% of our total revenue for the respective year/period. In the same years/periods, our revenue from our largest customer in each year/period during the Track Record Period was RMB27.3 million, RMB31.4 million, RMB116.1 million and RMB69.5 million, respectively, accounting for 24.9%, 17.9%, 37.4% and 24.7% of our total revenue for the respective year/period. See "Business — Our Customers."

SUPPLIER

Our major suppliers are providers of key raw materials and components, primarily including electronic and electrical components, standard mechanical parts, custom parts and auxiliary equipment such as speed reducers, encoders, optical instruments and sensors. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB36.1 million, RMB44.5 million, RMB65.6 million and RMB50.3 million, respectively, accounting for 38.1%, 35.4%, 32.3% and 28.8% of our cost of sales for the respective year/period. Purchases from our largest supplier in each year/period during the Track Record Period accounted for 12.7%, 14.4%, 12.2% and 7.7% of our cost of sales for the respective year/period. See "Business — Our Suppliers."

PRODUCTION

During the Track Record Period, we manufactured our products primarily at our production facility in Foshan, Guangdong. We also operate a production facility in Shenzhen, Guangdong, which is primarily responsible for the production of our R&D samples. The following tables sets forth the details of the production capacities and utilization rates of our production facility in Foshan, Guangdong for the periods indicated:

	Year ended December 31,									Nine months ended September 30,		
	2022			2023			2024			2025		
Production base	Designed Production capacity(1)	Actual Production volume	Utilization rate(2)	Designed Production capacity(1)	Actual Production volume	Utilization rate(2)	Designed Production capacity(1)	Actual Production volume	Utilization rate(2)	Designed Production capacity	Actual Production volume	Utilization rate
	Production units in units of cobots		*(%)*	*Production units in units of cobots*		*(%)*	*Production units in units of cobots*		*(%)*	*Production units in units of cobots*		*(%)*
Foshan, Guangdong .	1,400	816	58.3	2,700	2,210	81.9	4,040	3,470	85.9	5,269(3)	3,895	73.9(3)

Notes:

(1) The designed production capacity for each respective year/period is calculated by standard working hours based on the following formula: (Average number of direct production personnel at the beginning and end of the year × 300 days × 8 hours) ÷ 45 hours per unit × rolled throughout yield (75% for 2023 and 2024 and 80% for 2025). Our manufacturing process involves multiple stages, each subject to quality control checks, and products that do not meet specifications at any stage must undergo rework before final acceptance, which would result in additional labor hours being incurred. The yield factor used in our designed production capacity calculation represents our estimated rolled

throughput yield, which measures the proportion of products that pass all sequential production and quality inspection steps on a first-pass basis without requiring rework or re-testing, which was 75% for 2023 and 2024 and 80% for 2025 due to continued refinement of our manufacturing processes and quality control systems. We consider the rolled throughput yield applied in the Track Record Period to be a prudent and reasonable assumption based on our production experience and stringent quality standards. Applying this assumption allows us to reflect more accurately our effective production output and avoids overstating our designed capacity. The increase in designed production capacity in 2023 and 2024 was primarily attributable to the continuous addition of production personnel and equipment during the respective periods.

(2) Utilization rate is calculated by dividing the actual production volume (namely effective working hours for the respective year/period, which equal to valid working days in the respective year/period times daily working hours times number of direct production personnel) by designed production capacity for the designated year/period.

(3) The utilization rate of 73.9% for the nine months ended September 30, 2025 was calculated based on actual production volume for the first three quarters against the annualized designed production capacity for 2025 of 5,269 units of cobots, as explained in footnote (1) above. Based on the designed production capacity for the first three quarters of 3,824 units, the utilization rate for the same period would have been 101.8%, primarily due to a surge in order demand and extended working hours during the period.

COMPETITIVE LANDSCAPE

The manufacturing industry is accelerating toward intelligent and low-carbon transformation, driving demand for flexible automation. Cobots, with advantages in modular deployment, safety and rapid scenario adaptation, are becoming core enablers of this shift. According to Frost & Sullivan, the global cobot market grew from RMB2.5 billion in 2020 to RMB7.5 billion in 2024 at a CAGR of 32.0%, and is expected to reach RMB35.0 billion by 2029 at a CAGR of 37.4%. In China, the market expanded from RMB0.6 billion to RMB2.2 billion over the same period at a CAGR of 38.8% and is projected to reach RMB12.4 billion by 2029 at a CAGR of 43.5%. Meanwhile, the industry remains concentrated. In 2024, the top five global players held 42.1% market share. According to Frost & Sullivan, we were the second-largest cobot company in China with a 10.3% share and a top-five global player with 3.5% share in 2024. See "Industry Overview."

RISK FACTORS

Our business and the Offering involve certain risks as set out in "Risk Factors" in this Prospectus. You should read that section in its entirety carefully before you decide to invest in our H Shares. We believe the most significant risks we face include the following: (i) if we are unable to develop new products with advanced technology that adapt to changing market demand and customer needs in a cost-effective and timely manner, our future business, results of operations, financial condition and competitive position would be materially and adversely affected; (ii) we have been and intend to continue investing significantly in R&D, which may adversely affect our short-term profitability and operating cash flow and may not generate the results we expect to achieve; (iii) if our key R&D employees terminate their relationships with us or develop relationships with a competitor or delay their delivery of adequate research results, our ability to conduct R&D and the progress of our R&D programs could be adversely affected; (iv) we may not be able to obtain or maintain adequate intellectual property rights protection for our products, or the scope of such protection may not be sufficiently broad; and (v) we may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful. See "Risk Factors."

CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Wang and Mr. Zhang beneficially owned 3.15% and 0.45% of the total issued share capital of our Company, respectively. In addition, Mr. Wang ultimately controlled 35.84% voting rights, which are attached to the 25.10%, 4.20%, 1.73%, 0.81%, 1.91%, 1.11%, 0.55% and 0.42% of the total issued share capital of our Company held by Zhirentuan, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun, respectively. Each of Zhirenxing, Zhirentuan, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun is controlled and manged by Zhirentuan Tech as its general partner. Zhirentuan Tech is in turn owned as to 99% and 1% by Mr. Wang and Mr. Zhang, respectively. On April 30, 2025, Mr. Wang and Mr. Zhang entered into the Acting in Concert Agreement to record and formalize their cooperation, pursuant to which, Mr. Wang and Mr. Zhang confirmed that they and entities controlled by them had been acting in concert since he/it became a Director or Shareholder and will continue to act in concert to align their votes at the Board meetings and the general meetings of the Company (as the case may be). See "History, Development and Corporate

Structure — Corporate Structure" in this Prospectus for details. Therefore, as of the Latest Practicable Date, Mr. Wang, Mr. Zhang, Zhirentuan Tech, Zhirentuan, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun collectively controlled 39.44% voting rights of the Company and constituted the group of Controlling Shareholders.

Immediately following the completion of the Global Offering, Mr. Wang, Mr. Zhang, Zhirentuan Tech, Zhirentuan, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun continue to control 31.89% of voting rights of our Company (assuming the Offer Size Adjustment Option and the Over-allotment Option are fully exercised) or approximately 33.45% voting rights of the Company (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). Therefore, Mr. Wang, Mr. Zhang, Zhirentuan, Zhirentuan Tech, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun will remain as the group of Controlling Shareholders upon Listing.

PRE-IPO INVESTMENT

From September 2017 to May 2025, we have completed several rounds of Pre-IPO Investments. As of the Latest Practicable Date, the Pre-IPO Investors hold approximately 60.56% of our total issued share capital. Immediately following the completion of the Global Offering, the Pre-IPO Investors will hold 51.35% of our total issued share capital (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) or approximately 48.95% of our total issued share capital (assuming the Offer Size Adjustment Option and the Over-allotment Option are exercised in full). Pursuant to a shareholder special rights termination agreement dated April 30, 2025 (the "**Termination Agreement**"), all special rights which have been previously granted to the Pre-IPO Investors were terminated prior to the date of our first submission of the Listing application to the Stock Exchange. In particular, the redemption rights and liquidation preferences rights granted by the Company to the Pre-IPO Investors were permanently and irrevocably terminated and shall be *void ab initio*. Special rights such as information rights, no more favourable terms and tag-along rights and the redemption rights granted by the Controlling Shareholders etc. shall resume to be exercisable upon the occurrence of (i) the Listing not being approved by relevant regulatory authorities; (ii) the rejection, return or withdraw of the Listing application; or (iii) 18 months following the submission of the Listing application. Considering that the Company has no obligation to repurchase the Shares held by the Pre-IPO Investors, no redemption liability was recorded during the Track Record Period. See "History, Development and Corporate Structure — Pre-IPO Investments." for further details of the Pre-IPO Investments.

Our Company and Pre-IPO Investors agreed in the Termination Agreement, among others, the redemption rights and liquidation preferences rights granted by our Company to the Pre-IPO Investors were permanently and irrevocably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the Termination Agreement, our Directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period.

Had the Special Rights granted by our Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements in April 2025:

(i) the redemption financial liabilities, total current liabilities, net current liabilities, total non-current liabilities and net deficits would have been:

	As at 31 December,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Redemption financial liabilities	702,157	753,684	811,608
Total current liabilities	655,679	720,637	929,160
Net current liabilities	195,317	203,516	443,469
Total non-current liabilities	132,904	139,197	2,752
Net deficits	(297,164)	(275,619)	(315,349)

(ii) the finance costs associated with the redemption financial liabilities, the net losses for the year/period, basic and dilutive loss per share would have been:

	Year ended 31 December,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Financial costs associated with the redemption financial liabilities	(58,893)	51,527	57,924	43,364	22,211
Total net losses	(24,473)	(49,632)	(40,055)	(34,327)	(37,799)
Basic and dilutive loss per share (expressed in RMB)	(0.06)	(0.11)	(0.09)	(0.08)	(0.09)

See Note 31 to the Accountants' Report set out in Appendix I to this prospectus.

SUMMARY OF HISTORICAL AND FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountants' Report in Appendix I to this Prospectus. The summary consolidated financial data set forth below should be read together with the consolidated financial statements in this Prospectus, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Selected Items from the Consolidated Statements of Profit or Loss and Comprehensive Income

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

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
		(RMB in thousands)		*(Unaudited)*	
Revenue	109,442	175,380	310,441	206,224	280,880
Cost of sales	(94,436)	(125,150)	(204,008)	(136,988)	(175,328)
Gross profit	**15,006**	**50,230**	**106,433**	**69,236**	**105,552**
Other income and gains	13,450	105,596	15,372	12,904	10,090
Selling and distribution expenses	(31,944)	(60,450)	(41,941)	(30,146)	(39,315)
Administrative expenses	(21,740)	(45,997)	(12,543)	(9,662)	(43,727)
Research and development expenses	(55,432)	(85,656)	(47,283)	(33,894)	(50,978)
Reversal of/(provision for) impairment losses on financial assets and contract assets	(1,828)	688	(72)	(94)	41
Other expenses	(1,735)	(3,443)	(3,043)	(709)	(564)
Finance costs	(644)	(515)	(214)	(169)	(287)
(Loss)/profit before tax	**(84,867)**	**(39,547)**	**16,709**	**7,466**	**(19,188)**
Income tax credits/(expenses)	1,501	41,442	1,160	1,571	3,600
(Loss)/profit for the year/period	**(83,366)**	**1,895**	**17,869**	**9,037**	**(15,588)**

For details on the accounting treatment of redemption rights and liquidation preference rights of pre-IPO investments, see Note 31 to the Accountants' Report set out in Appendix I to this prospectus.

Non-IFRS Financial Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net (loss)/profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We define adjusted net (loss)/profit (non-IFRS measure) as (loss)/profit for the periods adjusted by adding back share-based payment expenses and listing expense. The following table reconciles our adjusted net (loss)/profit (non-IFRS measure) presented in accordance with IFRS, which is (loss)/profit for the period:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(Unaudited)	
(Loss)/profit for the year/period	(83,366)	1,895	17,869	9,037	(15,588)
Add:					
– Share-based payment[(1)]	12,831	69,573	–	–	24,652
– Listing expense[(2)]	–	–	–	–	15,389
Adjusted net (loss)/profit (*non-IFRS measure*)	**(70,535)**	**71,468**	**17,869**	**9,037**	**24,453**

Notes:

(1) Share-based payment expenses are non-cash in nature and represent the arrangement under which we receive services from employees as consideration for our equity instruments. Share-based payment expenses are not expected to result in future cash payments.

(2) Listing expenses represent professional fees, underwriting commission, and other fees incurred in connection with the Global Offering and the Listing.

Revenue

Revenue by Nature and Product Series/Line

During the Track Record Period, our revenue was primarily derived from sale of products, including cobots and core motion components. The following table sets forth our revenue breakdown by nature of products and cobot services in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Sales of Products	**108,943**	**99.5**	**174,076**	**99.3**	**308,202**	**99.3**	**204,341**	**99.1**	**280,033**	**99.7**
– Cobots	65,133	59.5	120,257	68.6	235,509	75.9	158,060	76.6	207,565	73.9
– E Series	53,272	48.7	100,716	57.4	185,023	59.6	124,810	60.5	142,985	50.9
• Elfin-Basic Series	51,793	47.3	93,655	53.4	169,586	54.6	115,523	56.0	114,868	40.9
• Elfin-Pro Series	–	–	–	–	3,369	1.1	1,519	0.7	21,427	7.6
• Elfin-Ex Series	1,479	1.4	7,060	4.0	12,067	3.9	7,768	3.8	6,691	2.4
– S Series	–	0.0	8,068	4.6	24,607	7.9	15,801	7.7	45,562	16.2
• S20	–	–	5,701	3.3	14,214	4.6	9,785	4.8	24,878	8.8
• S30	–	–	–	–	8,916	2.9	5,035	2.4	11,463	4.1
• Others	–	–	2,367	1.3	1,477	0.4	982	0.5	9,220	3.3
– Workstation	9,322	8.5	8,207	4.7	9,372	3.0	7,934	3.8	4,764	1.7
– Others[(1)]	2,538	2.3	3,266	1.9	16,507	5.3	9,514	4.6	14,254	5.1

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
– Core Motion Components	43,810	40.0	53,819	30.7	72,693	23.4	46,281	22.4	72,468	25.8
– Precision Motion Platforms	28,092	25.7	39,594	22.6	33,586	10.8	24,925	12.1	43,183	15.4
– Joint Modules	915	0.8	403	0.2	14,476	4.7	5,178	2.5	15,159	5.4
– Servo Drives	6,845	6.3	8,761	5.0	10,251	3.3	7,579	3.7	3,049	1.1
– Accessories	6,380	5.8	4,330	2.5	10,304	3.3	5,754	2.8	9,891	3.5
– Frameless Torque Motors and Other Motors	1,578	1.4	730	0.4	4,077	1.3	2,846	1.4	1,186	0.4
Cobot Services[(2)]	**499**	**0.5**	**1,304**	**0.7**	**2,239**	**0.7**	**1,883**	**0.9**	**847**	**0.3**
Total	**109,442**	**100.0**	**175,380**	**100.0**	**310,441**	**100.0**	**206,224**	**100.0**	**280,880**	**100.0**

Notes:

(1) Primarily include variant cobots from our E Series, which are fundamentally similar to the E Series cobots but incorporate customised features and/or functions according to customers' demand.

(2) Primarily represent the revenue derived from our provision of quality assurance and maintenance services in relation to our cobots sold to customers.

Our overall revenue growth across product categories throughout the Track Record Period was mainly attributable to our increased sales volume and expanding customer base. Our number of new customers in 2022, 2023 and 2024 and the nine months ended September 30, 2025 was 239, 306, 390 and 299, respectively. Our number of customers grew from 298 in 2022 to 493 in 2023, and further to 525 in 2024, and amounted to 478 in the nine months ended September 30, 2025.

Revenue by Geographic Location

In terms of geographic coverage, we generated a majority of revenue from our sales network in Chinese Mainland in 2022 and 2023 and the nine months ended September 30, 2025, complemented by the rapidly expanding presence of our overseas markets during the Track Record Period. We believe that we do not have any material overseas tax exposure for overseas revenue. The following table sets forth a breakdown of our revenue by geographical location, in an absolute amount and as a percentage of our total revenue, for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Chinese Mainland	80,729	73.8	128,936	73.5	154,542	49.8	105,792	51.3	174,846	62.2
Europe	18,191	16.6	31,190	17.8	124,328	40.1	78,982	38.3	83,167	29.7
– Germany	11,651	10.6	23,556	13.4	116,489	37.5	73,418	35.6	69,203	24.6
Americas	3,098	2.8	8,118	4.6	24,025	7.7	15,846	7.7	12,942	4.6
– United States	1,334	1.2	4,476	2.6	16,781	5.4	9,391	4.6	8,329	3.0
Others[(1)]	7,424	6.8	7,136	4.1	7,546	2.4	5,604	2.7	9,925	3.5
Total	**109,442**	**100.0**	**175,380**	**100.0**	**310,441**	**100.0**	**206,224**	**100.0**	**280,880**	**100.0**

Note:

(1) Primarily including other regions in Asia such as Malaysia and South Korea, as well as Australia.

Revenue by Sales Channel

We have established a sales network through direct sales and distributors. During the Track Record Period, our direct sales customers mainly include (i) system integrators, which include standardized and non-standardized equipment manufacturers, and (ii) end users. During the Track Record Period, the majority of our revenue from direct sales was revenue from system integrators. Our distributors are primarily established regional industrial automation distributors with technical expertise and value-added services, as well as specialized automation solution providers focusing on industries such as automotive, electronics and machinery manufacturing. The following table sets forth a breakdown of our revenue by sales channel, in an absolute amount and as a percentage of our total revenue, for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Direct Sales										
– System integrators										
– Standardized equipment manufacturers	61,279	56.0	114,839	65.5	230,246	74.2	148,993	72.2	212,869	75.8
– Non-standardized equipment manufacturers	15,043	13.7	23,666	13.5	36,751	11.8	25,433	12.3	42,046	15.0
– Subtotal of system integrators	76,323	69.7	138,505	79.0	266,997	86.0	174,426	84.6	254,915	90.8
– End users	25,634	23.4	22,202	12.7	24,218	7.8	18,682	9.1	11,034	3.9
Subtotal of direct sales	**101,957**	**93.2**	**160,707**	**91.6**	**291,215**	**93.8**	**193,108**	**93.6**	**265,949**	**94.7**
Distributors	**7,485**	**6.8**	**14,672**	**8.4**	**19,226**	**6.2**	**13,116**	**6.4**	**14,931**	**5.3**
Total	**109,442**	**100.0**	**175,380**	**100.0**	**310,441**	**100.0**	**206,224**	**100.0**	**280,880**	**100.0**

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of cost of sales of products, cost of cobot services and inventory write-down. Our cost of sales of products include the costs for raw material, production, labor and logistics. Our procurement of raw materials accounted for 68.5%, 77.4%, 76.6%, 74.6% and 78.4% of our total cost of sales in 2022, 2023 and 2024, and the nine months ended September 30, 2024 and 2025, respectively. For breakdown of cost of sales by nature of products and services, see "Financial Information." The increase in our cost of sales during the Track Record Period were primarily due to the increased procurements of raw materials we made in line with our business growth.

Gross Profit and Gross Profit Margin

Gross Profit and Gross Profit Margin by Nature and Product Series/Model

The following table sets forth our gross profit and gross profit margin breakdown by nature for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Sales of Products	**28,795**	**26.4**	**50,161**	**28.8**	**109,436**	**35.5**	**73,853**	**36.1**	**108,666**	**38.8**
– Cobots	16,319	25.1	31,035	25.8	82,836	35.2	56,232	35.6	79,287	38.2
– E Series	13,764	25.8	25,653	25.5	63,422	34.3	44,159	35.4	54,219	37.9
– S Series	–	–	2,773	34.4	9,943	40.4	6,538	41.4	16,791	36.9
– Workstation	1,998	21.4	1,736	21.2	2,038	21.7	1,822	23.0	1,814	38.1
– Others[1]	556	21.9	873	26.7	7,432	45.0	3,713	39.0	6,463	45.3

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						(Unaudited)			
– Core Motion Components	12,476	37.2	19,127	35.5	26,600	36.6	17,621	38.1	29,379	40.5
– Precision Motion Platforms	10,439	37.2	16,223	41.0	13,409	39.9	10,245	41.1	19,583	45.3
– Joint Modules	234	25.6	225	55.8	5,924	40.9	2,039	39.4	6,938	45.8
– Servo Drives	207	3.0	1,317	15.0	2,406	23.5	1,914	25.3	411	13.5
– Accessories	1,149	18.0	1,089	25.1	2,662	25.8	1,857	32.3	2,267	22.9
– Frameless Torque Motors and Other Motors	447	28.3	273	37.3	2,199	53.9	1,566	55.0	180	15.2
Cobot Services[2]	**328**	**65.7**	**717**	**55.0**	**1,247**	**55.7**	**1,053**	**55.9**	**370**	**43.6**
Subtotal	**29,123**	**26.6**	**50,878**	**29.0**	**110,683**	**35.7**	**74,905**	**36.3**	**109,035**	**38.8**
Less: Inventory write-down[3]	(14,117)	(12.9)	(648)	(0.4)	(4,251)	(1.4)	(5,669)	(2.7)	(3,483)	(1.2)
Total	**15,006**	**13.7**	**50,230**	**28.6**	**106,433**	**34.3**	**69,236**	**33.6**	**105,552**	**37.6**

Notes:

(1) Primarily include variant cobots from our E Series, which are fundamentally similar to the E Series cobots but incorporate customised features and/or functions according to customers' demand.

(2) Primarily represent the revenue derived from our provision of quality assurance and maintenance services in relation to our cobots sold to customers.

(3) Primarily represents the provision made on inventories. See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Inventories."

Gross Profit and Gross Profit Margin by Geographic Location

The following table sets forth our gross profit and gross profit margin breakdown by geographic area for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						(Unaudited)			
Chinese Mainland	19,017	23.6	33,040	25.6	47,263	30.6	33,206	31.4	60,131	34.4
Europe	5,681	31.2	10,795	34.6	46,542	37.4	30,237	38.3	36,044	43.3
– Germany	2,486	21.3	6,688	28.4	41,823	35.9	26,950	36.7	27,418	39.6
Americas	1,467	47.4	4,015	49.5	13,270	55.2	8,779	55.4	7,656	59.2
– United States	594	44.5	1,831	40.9	8,646	51.5	4,572	48.7	4,739	56.9
Others[1]	2,959	39.9	3,029	42.4	3,608	47.8	2,683	47.9	5,204	52.4
Subtotal	**29,123**	**26.6**	**50,878**	**29.0**	**110,683**	**35.7**	**74,905**	**36.3**	**109,035**	**38.8**
Less: Inventory write-down[2]	(14,117)	(12.9)	(648)	(0.4)	(4,251)	(1.4)	(5,669)	(2.7)	(3,483)	(1.2)
Total	**15,006**	**13.7**	**50,230**	**28.6**	**106,433**	**34.3**	**69,236**	**33.6**	**105,552**	**37.6**

Notes:

(1) Primarily including other regions in Asia such as Malaysia and South Korea, as well as Australia.

(2) Primarily represents the provision made on inventories. See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Inventories."

Our gross profit margin in Chinese Mainland was generally lower than those in the overseas markets, as we adopted pricing policies based on our evaluation of the local market conditions, including the customer profiles and competitive landscape, which resulted in a lower overall pricing level in the Chinese Mainland. We assess factors such as expectations and affordability of local customers in each region when determining our sales prices.

Gross Profit and Gross Profit Margin by Sales Channel

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Direct Sales										
– System integrators										
– Standardized equipment manufacturers	15,883	25.9	31,102	27.1	79,420	34.5	51,715	34.7	82,608	38.8
– Non-standardized equipment manufacturers	4,522	30.1	6,960	29.4	13,537	36.8	9,645	37.9	15,647	37.2
– Subtotal of system integrators	20,405	26.7	38,062	27.5	92,956	34.8	61,360	35.2	98,255	38.5
– End users	6,367	24.8	7,803	35.1	10,571	43.6	8,843	47.3	5,106	46.3
Subtotal of direct sales	**26,773**	**26.3**	**45,865**	**28.5**	**103,528**	**35.6**	**70,203**	**36.4**	**103,361**	**38.9**
Distributors	**2,350**	**31.4**	**5,013**	**34.2**	**7,156**	**37.2**	**4,702**	**35.9**	**5,674**	**38.0**
Subtotal	**29,123**	**26.6**	**50,878**	**29.0**	**110,684**	**35.7**	**74,905**	**36.3**	**109,035**	**38.8**
Less: Inventory write-down[1]	14,117	(12.9)	648	(0.4)	4,251	(1.4)	(5,669)	(2.7)	(3,483)	(1.2)
Total	**15,006**	**13.7**	**50,230**	**28.6**	**106,433**	**34.3**	**69,236**	**33.6**	**105,552**	**37.6**

Notes:

(1) Primarily represents the provision made on inventories. See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Inventories."

The gross profit margin of both direct sales and sales to distributors generally increased throughout the Track Record Period. The gross profit margin on sales to distributors was generally higher than that of direct sales. This was primarily because a significant portion of the products sold to distributors was precision motion platforms, which typically have a higher gross profit margin due to their greater technological complexity.

Other Income and Gains

During the Track Record Period, our other income and gains primarily consisted of (i) interest income, primarily representing interests from bank deposits and loans arising from daily operations made to the then-associate of our Company; (ii) investment income from wealth management products; (iii) investment income from time deposits; (iv) government grants, primarily representing government subsidies we received in relation to our R&D projects; (v) gains from disposal of subsidiaries, primarily representing the gains from the disposal of Shenzhen Niuer Commercial Robot and its subsidiary, which primarily acted as an integrator focusing on semiconductor industry. See "History, Development and Corporate Structure — Material Acquisitions, Disposals and Mergers;" (vi) gains from disposal of a joint venture, representing the gains from the disposal of Neura Robotics, which primarily engaged in the R&D of cutting-edge robotics technologies. See "History, Development and Corporate Structure — Material Acquisitions, Disposals and Mergers;" (vii) fair value gains on financial assets at fair value through profit or loss; and (viii) foreign exchange gains, net, primarily arising from our sales to overseas customers denoted in foreign currencies and bank deposits in foreign currencies. Our other income and gains amounted to RMB13.5 million, RMB105.6 million, RMB15.4 million, RMB12.9 million and RMB10.1 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

(Loss)/Profit for the Year/Period

We recorded a net profit in 2024 and an adjusted net profit (non-IFRS measure) in 2024 and the nine months ended September 30, 2025, respectively, mainly due to revenue growth and improved cost efficiency. During the Track Record Period, our revenue increased as our technologies and products gained customer recognition, enabling economies of scale and more effective cost control. We also reduced expenses through optimized sales and administrative management. In addition, the disposal of a joint venture in 2023 lowered R&D expenses in 2024.

We incurred a net loss of RMB83.4 million in 2022, which turned to a net profit of RMB1.9 million in 2023, primarily due to (i) an increase in other income and gains from the disposal of subsidiaries and a joint venture in 2023; and (ii) an increase in government grants, and (iii) an increase in revenue primarily from sale of products.

Our net profit increased significantly from RMB1.9 million in 2023 to RMB17.9 million in 2024, primarily due to an increase in revenue generated from increased cobot sales, including overseas markets; partially offset by the absence of one-off gains and foreign exchange gains recorded in 2023.

We had a net profit of RMB9.0 million in the nine months ended September 30, 2024 and a net loss of RMB15.6 million in the nine months ended September 30, 2025, mainly due to higher listing expenses, partially offset by revenue growth.

See "Financial Information — Period-to-Period Comparison of Results of Operations."

Selected Items from the Consolidated Statements of Financial Position

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

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Total current assets	460,362	517,121	485,691	485,009
Total non-current assets	31,057	67,094	130,872	195,222
Total assets	**491,419**	**584,215**	**616,563**	**680,231**
Total current liabilities	79,410	100,571	117,552	138,884
Total non-current liabilities	7,016	5,579	2,752	13,254
Net current assets	**380,952**	**416,550**	**368,139**	**346,125**
Total liabilities	**86,426**	**106,150**	**120,304**	**152,138**
Total equity	**404,993**	**478,065**	**496,259**	**528,093**

For details on the accounting treatment of redemption rights and liquidation preference rights of pre-IPO investments, see Note 31 to the Accountants' Report set out in Appendix I to this prospectus.

Our net current assets remained relatively stable at RMB368.1 million as of December 31, 2024 and RMB346.1 million as of September 30, 2025.

Our net current assets decreased by 11.6% from RMB416.6 million as of December 31, 2023 to RMB368.1 million as of December 31, 2024, primarily due to (i) a decrease in financial assets at fair value through profit or loss of RMB44.2 million; (ii) a decrease in prepayments, deposits and other receivables of RMB34.7 million; (iii) a decrease in time deposits with original maturity of over three months (current) of RMB25.4 million; and (iv) an increase in trade payables of RMB21.8 million, partially offset by (i) an increase in trade and bills receivables of RMB42.0 million; (ii) an increase in inventories of RMB17.3 million; and (iii) an increase in cash and cash equivalents of RMB13.0 million.

Our net current assets increased by 9.3% from RMB381.0 million as of December 31, 2022 to RMB416.6 million as of December 31, 2023, primarily due to (i) an increase in cash and cash equivalents of RMB71.1 million; (ii) an increase in time deposits with original maturity of over three months (current) of RMB49.6 million; (iii) an increase in inventories of RMB22.7 million; and (iv) an increase in trade and bills receivables of RMB21.7 million, partially offset by (i) a decrease in prepayments, deposits and other receivables of RMB61.1 million; (ii) a decrease in financial assets at fair value through profit or loss of RMB44.3 million; and (iii) an increase in trade payables of RMB23.6 million.

Our net assets increased by 6.4% from RMB496.3 million as of December 31, 2024 to RMB528.1 million as of September 30, 2025, primarily due to (i) the issue of shares in the nine months ended September 30, 2025 of RMB23.0 million; and (ii) the equity-settled share award expense of RMB24.7 million in the nine months ended September 30, 2025. These are partially offset by our loss for the period of RMB15.6 million in the nine months ended September 30, 2025. Our net assets increased by 3.8% from RMB478.1 million as of December 31, 2023 to RMB496.3 million as of December 31, 2024, primarily due to our profit for the year for 2024 of RMB17.9 million. Our net assets increased by 18.0% from RMB405.0 million as of December 31, 2022 to RMB478.1 million as of December 31, 2023, primarily due an equity-settled share award expense of RMB70.5 million in 2023.

Selected Items from the Consolidated Statements of Cash Flows

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

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Net cash flows (used in)/from operating activities	(153,460)	(57,247)	11,917	18,512	(18,313)
Net cash flows from/(used in) investing activities	163,858	140,522	3,467	(40,672)	(18,805)
Net cash flows from/(used in) financing activities	9,858	(12,149)	(3,247)	(2,678)	17,444
Net increase/(decrease) in cash and cash equivalents	**20,256**	**71,126**	**12,137**	**(24,838)**	**(19,674)**
Cash and cash equivalents at beginning of year/period	16,381	36,328	107,476	107,476	120,520
Cash and cash equivalents at end of year/period	**36,328**	**107,476**	**120,520**	**81,377**	**101,151**

During the Track Record Period, we had net operating cash outflows of RMB153.5 million in 2022, RMB57.2 million in 2023 and RMB18.3 million in the nine months ended September 30, 2025, primarily due to the significant amounts of cost of sales and operating expenses incurred for the provision of our products, carrying out R&D and selling and marketing activities, as well as administrative management. We had net operating inflow of RMB11.9 million in 2024, primarily due to our substantial revenue growth which surpassed the growth in our costs and expenses during the year. See "Financial Information — Liquidity and Capital Resources." The substantial revenue growth from 2022 to 2024 was primarily a result of our increased sales volume of E Series cobots to a major overseas customer in Europe, who was also our supplier during the Track Record Period and who used to be a joint venture of the Group. See "Business — Our Customers" and "Business — Our Suppliers." The substantial revenue growth from the nine months ended September 30, 2024 to the same period in 2025 was primarily a result of our increased sales volume of E Series cobots and S Series cobots to a broad customer base.

Our net operating cash flow fluctuated during the Track Record Period, which was partially because there are often time lags between settlements to our suppliers and settlements from our customers, resulting in possible cash flow mismatch. For the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, our trade and bills receivables turnover days were 128.7 days, 122.4 days, 106.6 days and 118.3 days, respectively, which generally represented the period of time since our products are delivered and accepted by the customers and up to the settlement of amounts due from our customers. Meanwhile, during the same periods, our trade payables turnover days were 114.8 days, 108.4 days, 107.1 days and 125.4 days, respectively, which generally represented the period of time since we received and accepted materials and components from our suppliers and up to our settlement of payment to them. This demonstrates that it generally takes a relatively longer period for us to receive settlements from our customers, as compared to the time it took us to settle our payments to suppliers. On the other hand, during the same periods, our inventory turnover days were 276.1 days, 289.8 days, 213.5 days and 206.6 days, respectively, which generally represented the period of time since the acquirement or production of the inventory to the consumption or sales of these inventories. Relatively long inventory and trade receivables turnover days indicated that cash was tied up in inventory and receivables for longer periods, delaying the inflow of cash required for our operational expenses. We may experience cash flow mismatch from time to time, which largely depend on our customers' internal process for approving payments to us, the credit terms and settlement period granted to us by our suppliers, the number and scale of our contracts, and the efficiency of our consumption or sales of inventories.

We have adopted and plan to further adopt various measures to prevent cash flow mismatch. See "Financial Information — Liquidity and Capital Resources — Net Cash (Used in)/From Operating Activities."

Key Financial Ratios

The following table sets forth our key financial ratios as of the date/for the periods indicated:

	As of/Year ended December 31,			As of/Nine months ended September 30,	
	2022	2023	2024	2024	2025
				(Unaudited)	
Revenue growth (%)(1)	N/A	60.2	77.0	N/A	36.2
Gross profit margin (%)(2)	13.7	28.6	34.3	33.6	37.6
Net (loss)/profit margin (%)(3)	(76.2)	1.1	5.8	4.4	(5.5)
Adjusted net (loss)/profit margin (non-IFRS measure) (%)(4)	(64.4)	40.7	5.8	4.4	8.7
Current ratio(5)	5.8	5.1	4.1	N/A	3.5
Quick ratio(6)	4.7	4.0	3.0	N/A	2.5

Notes:

(1) Revenue growth is calculated by subtracting the previous year's/period's revenue from the current year's/period's revenue, dividing the result by the previous year's/period's revenue, multiplied by 100%.

(2) Gross profit margin equals gross profit for the period divided by revenue for the respective year/period and multiplied by 100.0%.

(3) Net (loss)/profit margin equals the net (loss)/profit for the period divided by revenue for the respective year/period and multiplied by 100.0%.

(4) Adjusted net (loss)/profit margin (non-IFRS measure) equals the adjusted net (loss)/profit (non-IFRS measure) for the period divided by revenue for the respective year/period and multiplied by 100.0%.

(5) Current ratio equals total current assets as of the end of the year/period divided by total current liabilities as of the same date.

(6) Quick ratio equals total current assets less inventories as of the end of the year/period divided by total current liabilities as of the same date.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) and the H Shares to be converted from Domestic Unlisted Shares, on the basis that, among other things, we satisfy the requirements under Rule 18C.03 of the Listing Rules as a Commercial Company (as defined in the Listing Rules) with reference to our expected market capitalization at the time of Listing, which based on the Offer Price, exceeds HK$4 billion.

OFFERING STATISTICS

The statistics in the following table are based on the assumption that (i) the Global Offering has been completed and 80,785,000 H Shares are issued pursuant to the Global Offering and (ii) the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

	Based on an Offer Price of HK$17.00 per H Share
Market capitalization of our H Shares[(1)]	HK$8,728.7 million
Market capitalization of our Shares[(2)]	HK$9,035.2 million
Unaudited pro forma adjusted net tangible asset per Share[(3)]	HK$3.56

Notes:

(1) The calculation of market capitalization is based on the 513,452,180 H Shares expected to be in issue immediately upon completion of the Global Offering.

(2) The calculation of market capitalization is based on the 531,479,980 Shares expected to be in issue immediately upon completion of the Global Offering.

(3) The unaudited pro forma net tangible assets per Share is arrived at after adjusting for the estimated net proceeds from the Global Offering and on the basis that 531,479,980 Shares were in issue, assuming that the Global Offering has been completed on September 30, 2025 but takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any Shares which may be issued or repurchased by the Company.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately RMB81.9 million (assuming an Offer Price of HK$17.00 per Offer Share and no exercise of the Offer Size Adjustment Option or the Over-allotment Option), representing 6.8% of the gross proceeds (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised) of the Global Offering. We expect to incur listing expenses of RMB81.9 million, of which RMB27.8 million is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and RMB54.1 million is expected to be recognized as a deduction in equity directly upon the Listing. By nature, our listing expenses are composed of (i) underwriting commission of RMB48.4 million, and (ii) non-underwriting related expenses of RMB33.5 million, which consist of fees and expenses of legal advisors and the Reporting Accountant of RMB20.0 million and other fees and expenses of RMB13.5 million.

FUTURE PLANS AND USE OF PROCEEDS

Assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, we estimate that we will receive net proceeds of approximately HK$1,280.4 million from the Global Offering. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- Approximately 55.0% of the net proceeds, or approximately HK$704.2 million, will be used for deepening our R&D capabilities in the next five years.
- Approximately 20.0% of the net proceeds, or approximately HK$256.1 million, will be used for our global business development to strengthen our market leadership in the next five years.
- Approximately 15.0% of the net proceeds, or approximately HK$192.1 million, will be used for upgrading and expanding our production capabilities in the next five years.
- Approximately 10.0% of the net proceeds, or approximately HK$128.0 million, will be used for working capital and general corporate purposes.

See "Future Plans and Use of Proceeds."

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, no dividend has been paid or declared by our Company. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, 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. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

UNAUDITED PRELIMINARY FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2025

The preliminary financial information of our Group as of and for the year ended December 31, 2025 as set out in Appendix IIA to this prospectus, which is prepared in compliance with the content requirements as for preliminary results announcements under Rule 13.49 of the Listing Rules, have been agreed by the Reporting Accountants, to the amounts set out in the draft consolidated financial statements of our Group for the year ended December 31, 2025, following with their work under Practice Note 730 (Revised) "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants.

RECENT DEVELOPMENTS

Performance Post Track Record Period

Post the Track Record Period and up to the Latest Practicable Date, we had maintained steady growth in both our business operations and financial performance. We continue to launch new products and invest in R&D projects to expand our business and advance our technologies following the Track Record Period. In September 2025, we launched the Elfin High-Speed Edition, a customized version of our E series which delivers a maximum joint speed of 370° per second and up to 1.5 times acceleration, making it well-suited for deployment on production lines with demanding production cadence requirements. Also in September 2025, we introduced the S60 model, a newly customized version which supports a maximum rated payload of 60 kilograms and an arm reach of 2.2 meters, while maintaining a 48V low-voltage power supply, ensuring both energy efficiency and operational safety. In addition, in 2025, we developed a high power density, ultra-low vibration and jitter modular drive motor for humanoid robots, which is designed for use in industrial applications. Subsequent to the Track Record Period and up to the Latest Practicable Date, we had engaged over 160 new customers.

Our business model, revenue structure and cost structure generally remained unchanged subsequent to the Track Record Period. Based on our unaudited financial information for the year ended December 31, 2025, our revenue demonstrated steady growth, increasing by 24.6% from RMB310.4 million in 2024 to RMB386.9 million in 2025. Our gross profit margin increased from 34.3% in 2024 to 37.6% in 2025. We recorded loss for the year of approximately RMB29.9 million in 2025, primarily due to increases in listing expenses, share-based payment and R&D expenses. See Appendix IIA to this prospectus. We had adjusted net profit (non-IFRS measure) for the year, defined as (loss)/profit for the year adjusted by adding back share-based payment expenses and listing expense, of RMB17.9 million in 2024 and RMB25.7 million in 2025.

International Regulatory Changes

Since early 2025, the U.S. government has implemented a series of tariffs affecting imports of goods originating from China. Beginning in February 2025, a baseline tariff was imposed on all China-origin goods and was subsequently increased in March 2025. In April 2025, the U.S. further announced reciprocal tariffs applicable to China, which were later adjusted through bilateral consultations between the U.S. and China. Following the ruling of the U.S. Supreme Court and pursuant to the relevant executive orders and official notices issued by the U.S. government, all tariffs previously imposed under the International Emergency Economic Powers Act ("**IEEPA**") became inactive as of February 24, 2026. In lieu thereof, the U.S. President Trump announced an across-the-board global tariff pursuant to Section 122 of the Trade Act of 1974, initially set at 10% for a period of 150 days and subsequently increased to 15%, with effect from February 24, 2026. Accordingly, as of the Latest Practicable Date, a 15% tariff applies to goods imported into the United States from China, including our cobots and related products. Such tariff arrangement is temporary in nature and remains subject to further regulatory developments and policy changes.

In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue generated from products that were directly exported to the U.S. was RMB1.3 million, RMB4.5 million, RMB16.8 million, RMB9.4 million and RMB8.3 million, respectively, accounting for approximately 1.2%, 2.6%, 5.4%, 4.6% and 3.0% of our total revenue for the respective year/period. All additional tariffs on our exports to the U.S. are contractually borne by our customers in accordance with the terms of our sales agreements. In addition, to the best of our knowledge, we are not aware of any instance where customers domiciled outside the U.S. have re-routed products purchased from us into the U.S. market and thereby become subject to U.S. tariffs. Based on the foregoing and considering (i) our revenue generated from products that were directly exported to the U.S. only accounted for an insignificant portion our total revenue during the Track Record Period; (ii) we had not experienced any order cancellations (including from U.S. customers) and, despite a temporary suspension of product delivery for a limited number of orders in April and May 2025 for cobots amounted to approximately RMB1.7 million due to the then-prevailing tariff rate, all such product deliveries had been fulfilled in a timely manner in June 2025 as the tariff rate went down; (iii) we did not observe any significant decline in demand from customer who may rely on export sales of their finished products to the U.S., or non-U.S. customers who did not rely on exports to the U.S., due to impacts of tariff; and (iv) we have been proactively expanding into other overseas markets outside of the U.S. while closely monitoring changes in laws and policies in relevant countries with a strong focus on compliance risks, our Directors do not believe we had been materially and adversely affected by U.S. tariffs, whether directly or indirectly, for uncertainties associated with tariff development as of the Latest Practicable Date.

Export Control Implication

We have procured certain software that are of U.S. origin during the Track Record Period for developing our products. We have also incorporated certain U.S. origin chips into our products during the Track Record Period. Such software and chips are classified as EAR99, which refers to items subject to the U.S. Export Administration Regulations (the "**EAR**") that are not specifically listed on the Commerce Control List and can be exported without a license to countries other than comprehensively sanctioned countries. We incorporate all procured products into our products only in China and we do not use them for any restricted use. As advised by our Export Control and OIR Counsel, given that we did not sell our products to any comprehensively sanctioned countries, the EAR99 chips incorporated in our products do not result in our products containing any controlled U.S.-origin items that would subject our products to the EAR. Moreover, using only U.S.-origin software classified as EAR99 does not subject our products to the EAR as our products would not satisfy the product scope of any relevant foreign direct product rules. As such, no U.S. export license is required to export, re-export or transfer (in-country) our own products, whether to China or other destinations.

Furthermore, as advised by our Export Control and OIR Counsel, the EAR does not impose license requirements on purchasers or importers of U.S. origin software, but only on the exporters, re-exporters or transferors. Our procurement activities thus are not subject to license requirements imposed by the U.S. Department of Commerce, Bureau of Industry and Security ("**BIS**").

U.S. OUTBOUND INVESTMENT RESTRICTIONS

On October 28, 2024, the U.S. government issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern, 31 C.F.R. Part 850 (the "**Outbound Investment Rules**"). Pursuant to the Outbound Investment Rules, unless an exception applies, U.S. persons are prohibited from engaging in, or are required to notify the U.S. Department of the Treasury ("**Treasury**") of, certain transactions involving a "covered foreign person." Covered foreign persons are defined as entities with connections to China or the Special Administrative Regions of Hong Kong and Macau, which is engaged in a "covered activity" involving sensitive technologies and products in (i) semiconductors and microelectronics (as defined below), (ii) quantum information technologies, which generally involves developing quantum computers, quantum sensing platforms, and quantum communication or networking systems; and (iii) artificial intelligence sectors (as defined below).

Our Directors, taking into account our Export Control and OIR Counsel's advice, are of the view that the Company is not a covered foreign person under the Outbound Investment Rules, as we do not engage in any covered activity involving the sectors mentioned above. Specifically, as advised by our Export Control and OIR Counsel:

- we do not engage in any covered activity relating to the semiconductor and microelectronics sector. Specifically, in each case as defined under the Outbound Investment Rule, we do not participate in (a) the development or production of electronic design automation software for the design of integrated circuits ("IC") or advanced packaging; (b) the development or production of semiconductor fabrication or advanced packaging equipment; or (c) the design, fabrication, or packaging of certain advanced integrated circuits, as we do not engage in any IC design, fabrication or packaging activities, nor do we develop or produce any automation software or equipment for the purpose thereof;

- we do not engage in any covered activity relating to the artificial intelligence sector, as our development and manufacturing of collaborative robots do not amount to the development of an "AI system," which, as defined in the Outbound Investment Rules, refers to a machine-based system that is capable of (i) using data inputs to perceive real and virtual environments, (ii) abstracting such perceptions into models through automated or algorithmic statistical analysis, and (iii) using model inference to make a classification, prediction, recommendation or decision. Our HRC embodied intelligence control platform, although capable of perceiving objects in the operating environment through visual sensors and therefore may satisfy the perceptual element described in criterion (i), does not abstract environmental perceptions into models, nor does it perform any form of model-based inference to make any classification, prediction, recommendation or decision as contemplated under criterion (ii) and (iii). Instead, the cobots operate solely by executing pre-defined logic, parameters and operational instructions that are determined and configured by human operators in advance, without learning, adaptation or autonomous reasoning, and thus do not meet the definitional elements of an "AI system" under the Outbound Investment Rules. We have also not developed other AI modules used for robotic system control that fall within the scope of the Rules;

- no Group entity otherwise engages in any covered activity in the quantum information technologies, which generally cover activities including (a) the development of supercomputer; (b) the development of quantum computer or certain quantum platform or network; (c) the development of certain AI systems for military, government intelligence or mass-surveillance end use;

- no Group entity has a voting or equity interest, board seat, or certain powers with respect to any covered foreign person, where more than 50 percent of our annual revenue, net income, capital expenditure or operating expenses (both individually and aggregated across such entities) is attributable to covered foreign persons; and no entity within our Group participates in any joint venture that engages in a "covered activity."

Therefore, as advised by our Export Control and OIR Counsel, we are not a covered foreign person and we do not expect the Outbound Investment Rules and related restrictions to have a material adverse impact on our business operation, financial performance and our ability to obtain investment.

Furthermore, the Outbound Investment Rules contain a number of excepted transactions, including investments in publicly traded securities, denominated in any currency, that trade on a securities exchange or over-the-counter in any jurisdiction (the "Publicly Traded Securities Exception"). Accordingly, even if we are deemed a covered foreign person by the Treasury, following the completion of the Global Offering, it is expected that U.S. persons will be able to invest in our H Shares in reliance on the Publicly Traded Securities Exception, so long as such investments do not afford a U.S. person rights that exceed standard minority shareholder protections.

On December 23, 2025, the U.S. Department of the Treasury published additional frequently asked questions (the "FAQs") on the Outbound Investment Rules. Among other things, FAQ X.4 clarifies that, absent additional facts, where a U.S. person acquires an equity interest in a covered foreign person and, at the time of such acquisition, the equity interest is publicly traded, such equity interest falls within the description of a "publicly traded security" under 31 C.F.R. Part 850, regardless of when any agreement to make such investment was entered into. The FAQs therefore provide additional guidance on the scope and application of the Publicly Traded Securities Exception. As advised by our Export Control and OIR Counsel, and taking into account the guidance provided in the FAQs, because we believe the Company is not a "covered foreign person" under the Outbound Investment Rules, the publication of the FAQs does not change the applicability or operation of the Publicly Traded Securities Exception with respect to investments in our H Shares. Accordingly, the impact of the Publicly Traded Securities Exception on investments in our H Shares by U.S. persons remains unchanged before and after the issuance of the FAQs.

For completeness, neither the Outbound Investment Rules nor the FAQs define the precise time at which an acquisition is deemed to occur. As advised by our Export Control and OIR Counsel, it is reasonable to conclude that an acquisition of H Shares by investors occurs upon settlement, at which time the investors receive the H Shares. To the extent that settlement of H

Shares purchased by U.S. persons occurs after 9:00 a.m. on the Listing Date, such H Shares would be publicly listed and traded at the time of acquisition. However, where settlement occurs prior to 9:00 a.m. on the Listing Date, when the H Shares are not yet publicly listed and traded (including, for example, settlement of the Hong Kong Offer Shares), it remains uncertain whether the Publicly Traded Securities Exception under the Outbound Investment Rules would be applicable. See "Regulatory Overview – Other Laws and Regulations – U.S. Outbound Investment Rules."

IMPACTS OF COVID-19

The COVID-19 pandemic did not have any material adverse effect on our business operations or financial performance during the Track Record Period, given that (i) we had remained stable manufacturing operations and ensured all essential business functions continued without significant interruption, and had implemented appropriate health and safety measures in accordance with government guidelines, enabling both production and administrative teams to operate effectively, whether onsite or through remote working arrangements as necessary; and (ii) our supply chain and logistics arrangements had remained stable without significant interruptions to our product delivery.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this Prospectus there has been no material adverse change in our financial or trading position or prospects since September 30, 2025 (being the date of our latest audited financial statements) and there has been no event since September 30, 2025 which would materially affect the information shown in the Accountants' Report in Appendix I to this Prospectus.

In this Prospectus, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained in "Glossary of Technical Terms" in this Prospectus.

"Accountants' Report"	the accountants' report of our Company for the Track Record Period, as included in Appendix I to this prospectus
"Acting in Concert Agreement"	the concert party agreement dated April 30, 2025 entered into by and amongst Mr. Wang and Mr. Zhang
"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 of Association" or "Articles"	the articles of association of our Company adopted on May 29, 2025 as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix III in this Prospectus
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of our Company
"Board Committee(s)"	the board committees of the 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
"Capital Market Intermediaries"	the capital market intermediaries as named in the section headed "Directors and Parties Involved in the Global Offering" of this Prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this Prospectus, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人股份有限公司) (previously known as Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人有限公司) and Shenzhen Dazu Robot Co., Ltd. (深圳市大族機器人有限公司)), a limited liability company incorporated in the PRC on September 7, 2017 and converted into a joint stock limited liability company on May 22, 2025
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Wang, Mr. Zhang, Zhirentuan Tech, Zhirentuan, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun, which are regarded as a group of Controlling Shareholders, details of which are set out in the section headed "Relationship with Our Controlling Shareholders" in this prospectus
"Conversion"	the conversion of the Company into a joint stock company, details of which are set out in the section headed "History, Development and Corporate Structure — Corporate Development — Joint Stock Conversion" in this Prospectus
"Conversion of Unlisted Shares into H Shares"	the conversion of Unlisted Shares into H shares, details of which are set out in the section headed "Share Capital — Conversion of Unlisted Shares into H Shares" in this Prospectus
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDCC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) adopted by the Tenth National People's Congress on March 16, 2007, and effective on January 1, 2008

"Employee Incentive Platform(s)"	Zhirenxing, Zhirenle, Zhirenju, Zhirenxue, and/or Zhirenyun, as the context may require
"Exchange Participant"	a person (a) who, in accordance with the Listing Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"Founders"	the founders of the Company, namely Mr. Wang and Mr. Zhang
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "we" or "us"	our Company and our subsidiaries
"Guide for New Listing Applicants" or "Guide"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	Ordinary share(s) in the share capital of our Company with a nominal value of RMB0.2 each, which is/are to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange
"H Share Registrar"	Tricor Investor Services Limited
"Han's Laser"	Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司), a company established under the laws of the PRC and listed on the Shenzhen Stock Exchange (stock code: 002008), one of our Pre-IPO Investors and substantial shareholders
"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website at **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by our Company as specified on the designated website at **www.hkeipo.hk**
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the Operational Procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"HKSCC Rules"	the General Rules of HKSCC and as may be amended or modified from time to time and where the context so permits, shall include the Operational Procedures of HKSCC
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars," "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 4,039,400 H Shares offered by us for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this Prospectus)
"Hong Kong Public Offering"	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price on and subject to the terms and conditions in this Prospectus
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Underwriters"	the underwriters listed in the paragraph headed "Hong Kong Underwriters" in the section headed "Underwriting" in this Prospectus, being the underwriters of the Hong Kong Public Offering
"Hong Kong Underwriting Agreement"	the underwriting agreement dated March 19, 2026 relating to the Hong Kong Public Offering entered into by the Company, Mr. Wang, Mr. Zhang, Zhirentuan, the Joint Sponsors, the Overall Coordinators, and the Hong Kong Underwriters, as further described in "Underwriting — Underwriting arrangements and expenses — The Hong Kong Public Offering — Hong Kong Underwriting Agreement"

"Huayan Robotics Technology"	Shenzhen Huayan Robotics Technology Co., Ltd (深圳市華沿機器人科技有限公司), a limited liability company established under the laws of the PRC on June 9, 2021, one of our subsidiaries
"IFRS"	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by IASB and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
"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
"International Offer Shares"	the 76,745,600 H Shares initially offered by our Company pursuant to the International Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this Prospectus) together with any additional H Shares which may be allotted and issued by our Company pursuant to the exercise of the Offer Size Adjustment Option and the Over- allotment Option
"International Offering"	the offer of the International Offer Shares (a) in the United States solely to QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or (b) outside the United States in offshore transactions in reliance on Regulation S, at the Offer Price, in each case on and subject to the terms and conditions of the International Underwriting Agreement, as further described in the section headed "Structure of the Global Offering" in this Prospectus
"International Underwriters"	the group of international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the underwriting agreement relating to the International Offering, which is expected to be entered into by, among others, our Company, Mr. Wang, Mr. Zhang, Zhirentuan, the Joint Sponsors, the Overall Coordinators and the International Underwriters on or about March 26, 2026
"Jiutian Power Technology"	Guangdong Jiutian Power Technology Co., Ltd. (廣東九天動力科技有限公司), a limited liability company established under the laws of the PRC on September 24, 2020 and one of our subsidiaries
"Joint Bookrunners"	the joint bookrunners as named in the "Directors and Parties Involved in the Global Offering" section in this Prospectus

"Joint Global Coordinators"	the joint global coordinators as named in the "Directors and Parties Involved in the Global Offering" section in this Prospectus
"Joint Lead Managers"	the joint lead managers as named in the "Directors and Parties Involved in the Global Offering" section in this Prospectus
"Joint Sponsors"	the joint sponsors as named in the "Directors and Parties Involved in the Global Offering" section in this Prospectus
"Latest Practicable Date"	March 10, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
"Listing"	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Committee"	the Listing Committee of the Hong Kong Stock Exchange
"Listing Date"	the date, expected to be on or about Monday, March 30, 2026, on which our H Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with Growth Enterprise Market of the Hong Kong Stock Exchange
"Ministry of Finance" or "MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Wang"	Mr. Wang Guangneng (王光能), one of the Founders and Controlling Shareholders, an executive Director, the chairperson of the Board and the general manager of the Company
"Mr. Zhang"	Mr. Zhang Guoping (張國平), one of the Founders and Controlling Shareholders, an executive Director and the chief technology officer of the Company
"Nomination Committee"	the nomination committee of the Board

"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)
"Offer Price"	HK$17.00, being the offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Offer Shares are to be offered pursuant to the International Offering
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, with any additional H Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option
"Offer Size Adjustment Option"	the option under the International Underwriting Agreement, exercisable by the Overall Coordinators at their absolute discretion (on behalf of the International Underwriters) prior to the execution of the International Underwriting Agreement, pursuant to which the Company may issue and allot up to an aggregate of 12,117,600 additional H Shares (representing in aggregate approximately 15% of the Offer Shares initially being offered under the Global Offering assuming the Over-allotment Option is not exercised) at the Offer Price, to cover additional market demand in the International Offering, if any, as described in the section headed "Structure of the Global Offering — Offer Size Adjustment Option"
"Overall Coordinators"	the overall coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" of this Prospectus
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators on behalf of the International Underwriters pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 12,117,600 additional H Shares at the Offer Price (representing in aggregate approximately 15% of the Offer Shares initially being offered under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 13,935,200 additional H Shares (representing approximately 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) to, cover over allocations in the International Offering, if any, further details of which are described in the section headed "Structure and Conditions of the Global Offering" in this Prospectus

"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引)
"Pathfinder SII(s)"	has the meaning ascribed thereto under the Guide
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Government" or "State"	the central government of the PRC, including all governmental subdivisions (including principal, municipal and other regional or local government entities) and instrumentalities
"PRC Legal Advisor"	King & Wood Mallesons, our legal advisor as to PRC laws
"PRC Securities Law"	the Securities Law of the People's Republic of China (中華人民共和國證券法)
"Pre-IPO Investment(s)"	the investment(s) in our Company undertaken by the Pre-IPO Investors pursuant to the respective equity transfer agreement(s) and capital increase agreement(s), details of which are set out in the section headed "History, Development and Corporate Structure" in this Prospectus
"Pre-IPO Investor(s)"	the investor(s) who has invested in our Company under the Pre-IPO Investment, details of which are set out in the section headed "History, Development and Corporate Structure" in this Prospectus
"Prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"Province"	each being a province or, where the context requires, a provincial-level autonomous region or municipality under the direct supervision of the central government of the PRC
"Qualified Institutional Buyer" or "QIB"	a qualified institutional buyer within the meaning of Rule 144A under the U.S. Securities Act
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC

"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAT"	the State Administration of Taxation of the PRC (國家稅務總局)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Shanghai-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, HKSCC and CSDCC for the establishment of mutual market access between Hong Kong and Shanghai, including Southbound Trading and Northbound Trading
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB0.2 each, referring to Unlisted Shares before the Listing and H Shares following the Listing
"Shareholder(s)"	holder(s) of the Share(s)
"share-based payment"	expenses that are non-cash in nature and represent the arrangement under which we receive services from employees as consideration for our equity instruments. Share-based payment expenses are not expected to result in future cash payments
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program to be developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and CSDCC for the establishment of mutual market access between Hong Kong and Shenzhen
"Sophisticated Independent Investor(s)"	has the meaning ascribed thereto under the Guide
"Specialist Technology"	has the meaning ascribed thereto under Chapter 18C of the Listing Rules
"Specialist Technology Companies"	has the meaning ascribed thereto under Chapter 18C of the Listing Rules
"Stabilizing Manager"	China International Capital Corporation Hong Kong Securities Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules

"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the context may require
"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB0.2 each, which are not listed on any stock exchange
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollar", "US$" or "USD"	United States dollar, the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"Xianzhikong"	Shenzhen Xianzhikong Enterprise Management Partnership (Limited Partnership) (深圳市獻智控企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on September 4, 2020, one of our Shareholders ultimately controlled by Mr. Wang
"Zhirenju"	Shenzhen Zhirenju Enterprise Management Partnership (Limited Partnership) (深圳市智人聚企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on May 16, 2025, one of our Employee Incentive Platforms
"Zhirenle"	Shenzhen Zhirenle Enterprise Management Partnership (Limited Partnership) (深圳市智人樂企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on May 7, 2025, one of our Employee Incentive Platforms
"Zhirentuan"	Sichuan Zhirentuan Enterprise Management Partnership (Limited Partnership) (四川智人團企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on April 29, 2020, one of our Shareholders ultimately controlled by Mr. Wang

"Zhirentuan Tech"	Shenzhen Zhirentuan Technology Co., Ltd. (深圳市智人團技術有限公司), a limited liability company established in the PRC on June 19, 2020, one of our Controlling Shareholders
"Zhirenxing"	Shenzhen Zhirenxing Enterprise Management Partnership (Limited Partnership) (深圳市智人行企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on March 25, 2021, one of our Employee Incentive Platforms
"Zhirenxue"	Shenzhen Zhirenxue Enterprise Management Partnership (Limited Partnership) (深圳市智人學企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on May 9, 2025, one of our Employee Incentive Platforms
"Zhirenying"	Foshan Zhirenying Enterprise Management Partnership (Limited Partnership) (佛山市智人營企業管理有限合夥(有限合夥)), a limited liability partnership established in PRC on April 18, 2025, one of our Shareholders ultimately controlled by Mr. Wang
"Zhirenyun"	Shenzhen Zhirenyun Enterprise Management Partnership (Limited Partnership) (深圳市智人雲企業管理有限合夥(有限合夥)), a limited liability partnership established in PRC on May 20, 2025, one of our Employee Incentive Platforms

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

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

This glossary of technical terms contains explanations of certain technical terms used in this Prospectus. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"absolute positioning accuracy" or "absolute accuracy"	the precision with which a robot can move to a specific point in its workspace relative to a fixed coordinate system
"anti-interference capabilities"	features designed to minimize or eliminate the impact of external disturbances on a system
"API"	application programming interface, a software interface that allows external programs, systems, or users to communicate with and control a cobot
"axis"	indicates 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
"backlash"	the clearance or lost motion in a mechanical system caused by gaps between the parts, often seen in gear trains
"bus communication"	a system that transfers data between components within a computer or between computers
"CAGR"	compound annual growth rate
"circular motion accuracy"	the precision with which an object can maintain a consistent path along a circular trajectory
"closed-loop cycle"	a control process that continuously adjusts actions based on real-time sensor feedback
"CNC"	computerized numerical control, the automated control of machine tools by a computer
"cogging"	the phenomenon where a motor experiences a jerky, uneven motion or a tendency to lock into certain positions, especially at low speeds
"collaborative robots" or "cobots"	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
"collision detection algorithms"	computational methods used to determine if, when, and where two or more objects intersect in virtual space, commonly used in computer graphics, robotics and video games

"communication protocol"	a system of rules that allows two or more entities of a communications system to transmit information
"direct-drive motors"	motors that directly drive the load without the need for mechanical transmission elements such as gearboxes or belts, enhancing efficiency and reducing moving parts
"DOF"	degrees of freedom, the number of independent movements a mechanical system can perform, typically involving translational and rotational motions
"electromagnetic interference"	disruption caused by electromagnetic fields affecting the performance of electronic devices
"encoder"	a feedback device that converts mechanical motion into signals to measure position, speed and direction
"EtherCAT"	Ethernet for Control Automation Technology, a high-performance, low-cost ethernet-based fieldbus system, i.e., a standardized industrial communication network that enables real-time data exchange between controllers and field-level devices, used for real-time distributed control applications
"FPGA"	field-programmable gate array, a type of configurable integrated circuit that can be repeatedly programmed after manufacturing
"frameless torque motors"	electric motors that are directly integrated into joints without an external casing or interface, delivering high torque at low speeds and enabling precise and repeatable motion in cobots, humanoid robots and automotive systems
"Full-Stack Capabilities"	a concept that is in line with industry norm, as advised by Frost & Sullivan, which refers to a cobot company's comprehensive capabilities covering all aspects of cobot R&D and manufacturing, from hardware, consisting of core motion components and cobot bodies, to software (HRC Embodied Intelligence Control Platform) that controls cobots
"HRC"	human robot collaboration, the synergistic partnership between humans and robots working together to achieve shared goals or tasks
"harmonic reducer"	a highly specialized gear mechanism designed for precise motion control, delivering high torque, compact size, and exceptional efficiency
"intelligent welding"	welding operations where cobots carry out or assist in joining metal components with controlled trajectories and programmed parameters to improve consistency and efficiency

"IP66" and "IP68"	an international ingress protection rating defined under IEC 60529
"joint modules"	integrated assemblies combining a motor, a servo driver and a speed reducer to drive and control robotic joints, widely used in robotics, automation and industrial applications
"KCs"	Korea Certification for safety
"kHz"	kilohertz, which is a unit of frequency equal to 1,000 hertz
"kinematic structure"	the arrangement and motion of parts in a mechanical system, describing the geometry of motion without considering the forces causing it
"lateral edge effects"	phenomena occurring at the edges of a material or structure that can influence its overall behavior, often seen in fields like material science and engineering
"logistics palletizing"	stacking, sorting or arranging goods and packages onto pallets for storage or transportation within warehouses or production facilities
"machine tending"	the operation of loading and unloading materials, components or finished parts to and from equipment such as CNC machines, injection-moulding machines or stamping machines
"metal and machining"	general industrial processes involving metal processing activities such as cutting, drilling or shaping, as well as auxiliary tasks including machine loading and unloading, workpiece handling and material transfer
"motion dead zone"	a range in which small input movements do not produce any response from the system, resulting in a lack of motion until the input exceeds a certain threshold
"ms"	millisecond, one thousandth of a second (0.001 second)
"nm"	nanometer, one billionth of a meter
"optical instrument"	a device that uses light for high-precision inspection, measurement or detection
"palletizing"	the process of arranging items onto a pallet for efficient storage, handling, and transportation
"PCB"	printed circuit board, a critical internal component that connects and controls the electronic systems of the cobot

"precision machining"	higher-accuracy manufacturing processes, where cobots support tasks requiring consistent positioning, repeatability and handling of small or delicate components
"precision motion platforms"	advanced mechanical platforms capable of ultra-small, high-precision movements, enabling stable and accurate multi-axis motion for applications such as gene sequencing, optical communications, nano-scale 3D printing and semiconductor manufacturing
"ROS"	robot operating system
"repeatability accuracy", "repeat positioning accuracy" or "repeatability"	the ability of a system to return to a specific position or state consistently over multiple attempts
"sensor"	a device that detects physical conditions and converts them into signals for monitoring and control
"servo drives"	motion control devices that regulate position, speed and force with high precision, and are primarily used in applications such as laser marking and semiconductor packaging and testing
"speed reducer"	a mechanical component that reduces motor speed and increases torque for stable and precise motion
"TCP"	tool center point, the exact point in space that represents the tip or active end of a cobot's tool and is used by the cobot to calculate and control the position and orientation of the tool during movement
"TOF"	Time-of-Flight, a sensing technology used to measure distance or detect objects based on the time it takes for a signal, such as laser, to travel to an object and reflect back to the sensor
"thermal drift"	the gradual change in the performance or output of a device due to variations in ambient temperature
"torque"	force that causes an object to rotate around an axis, essentially a twisting force that can be thought of as the rotational equivalent of linear force
"trajectory accuracy"	the precision with which a moving object's path can be predicted and controlled

This Prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this Prospectus, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to the PRC;
- our business prospects and our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate;
- various business opportunities that we may pursue; and
- capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and elsewhere in this Prospectus. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this Prospectus. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Prospectus might not occur. All forward-looking statements contained in this Prospectus are qualified by reference to the cautionary statements set out in this section.

An investment in our H Shares involves various risks. You should carefully consider all the information in this Prospectus and in particular the risks and uncertainties described below before making an investment in our H Shares. The following is a description of what we consider to be our material risks. The occurrence of any of the following risks could materially and adversely affect our business, financial condition and results of operations. If any of these events occurs, the trading price of our H Shares could decline and you may lose all or part of your investment.

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

RISKS RELATING TO PRODUCT DEVELOPMENT, REGULATORY ENVIRONMENT AND COMMERCIALIZATION OF OUR PRODUCTS

If we are unable to develop new products with advanced technology that adapt to changing market demand and customer needs in a cost-effective and timely manner, our future business, results of operations, financial condition and competitive position would be materially and adversely affected.

Our future business, results of operations, financial condition and competitive position depend on our ability to develop new cobots and core motion components that incorporate and integrate the latest technologies in cobot development, to satisfy evolving customer demands, regulatory requirements and industry standards. As cobot development remains an emerging technology, we may face unexpected technical challenges or cost-inefficient delays, requiring continued R&D investment and the ability to differentiate our products, upgrade key technologies, collaborate with partners, respond to technological changes and adjust to customer and regulatory developments. If we experience delays or fail to complete new or enhanced product development, we may be unable to meet customer requirements, win additional sales or achieve broader market acceptance, which would materially and adversely affect our business, results of operations, financial condition and competitive position.

We have been and intend to continue investing significantly in R&D, which may adversely affect our short-term profitability and operating cash flow and may not generate the results we expect to achieve.

Our ability to develop new technologies, design new products and enhance existing products is critical for maintaining our market position. We have been investing heavily in our R&D efforts. Our research and development expenses amounted to RMB55.4 million, RMB85.7 million, RMB47.3 million, RMB33.9 million and RMB51.0 million in 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. However, inherent risk exists for such significant R&D expenditures as our investment may not succeed or generate the benefits that we expect. Even if we succeed in our R&D efforts and generate the results we expect, our short-term cash flow and liquidity may be adversely affected, and we may still encounter practical difficulties in commercializing our development results. New technologies could render our technologies, our technological infrastructure or products that we are developing, or expect to develop in the future, obsolete or unattractive, thereby limiting our ability to recover related product development costs. In addition, we may be subject to new rules or restrictions imposed by regulatory authorities in response to our innovations, which could increase our expenses or prevent us from successfully commercializing new products or technologies. Our R&D efforts may not contribute to our future results of operations for several years, if at all, and such contributions may not meet our expectations or even cover the costs of such efforts, which would materially and adversely affect our business, results of operations, financial condition and competitive position.

The cobot industry is becoming increasingly competitive. If we fail to compete with our competitors, our business, financial condition and results of operations may be affected.

The cobot industry in which we operate is highly competitive. Characterized by a concentrated market structure, the global cobot industry is dominated by a few key players with large market shares. According to Frost & Sullivan, in 2024, the top five global cobot companies collectively accounted for 42.1% of the market share based on cobot business revenue. If we compete with players that have a longer corporate operating history than us, or if we do not have or in the future gain more financial resources and sophisticated technological capabilities and broader customer base and relationships than our competitors, we may not be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or user demand than our competitors.

We may also face competition from new entrants who may offer lower prices or new technologies and products, and thus increase the level of competition. Increased competition could result in lower sales, lower prices, reduced margins or loss of market share. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, financial condition and results of operations may be materially and adversely affected.

Changes in regulations, international trade policies, tariffs and rising political tensions may adversely impact our business and operating results.

Our international operations are subject to changes in the political and economic relations among countries and sanctions and export controls administered by government authorities and other geopolitical challenges, including, economic and labor conditions, increased custom duties, tariffs, taxes, export restrictions and other trade protection measures. During the Track Record Period, our products are primarily sold in Chinese Mainland, Europe and the Americas. In 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, revenue generated from customers located outside Chinese Mainland accounted for 26.2%, 26.5%, 50.2%, 48.7% and 37.9% of our total revenue, respectively.

Trade barriers may affect the margins on sales of our products and suppress customer demand. Since early 2025, the U.S. government has announced a series of tariff increases on imports from China. Following the ruling of the U.S. Supreme Court and pursuant to the relevant executive orders and official notices issued by the U.S. government, all tariffs previously imposed under the International Emergency Economic Powers Act ("**IEEPA**") became inactive as of February 24, 2026. In lieu thereof, the U.S. President Trump announced an across-the-board global tariff pursuant to Section 122 of the Trade Act of 1974, initially set at 10% for a period of 150 days and subsequently increased to 15%, with effect from February 24, 2026. Accordingly, as of the Latest Practicable Date, a 15% tariff applies to goods imported into the United States from China, including our cobots and related products. Such tariff arrangement is temporary in nature and remains subject to further regulatory developments and policy changes. We cannot predict how tariff policies in various countries may further evolve. In the event that our customers reduce their orders, or that we are required to adjust our pricing strategies due to the changes of competition dynamics, our business, financial conditions and results of operation will be adversely affected.

In addition, the United States has introduced or may further introduce regulations, sanctions and investment restrictions targeting certain technology-related activities. On October 28, 2024, the U.S. Department of the Treasury (the "**Treasury**") issued a final rule on outbound investment, or the Outbound Investment Rule, 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: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) 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 Directors, taking into account our Export Control and OIR Counsel's advice, are of the view that the Company is not a covered foreign person under the Outbound Investment Rules.

In addition, the Outbound Investment Rules contain a number of excepted transactions, including the "Publicly Traded Securities Exception." Accordingly, following the completion of the Global Offering, it is expected that U.S. persons will be able to invest in our H Shares in reliance on the Publicly Traded Securities Exception, so long as such investments do not afford a U.S. person rights that exceed standard minority shareholder protections. On December 23, 2025, the U.S. Department of the Treasury published additional frequently asked questions (the "**FAQs**") on the Outbound Investment Rules, which provide further guidance on the scope and application of the Publicly Traded Securities Exception. See "Regulatory Overview — Other Laws and Regulations — U.S. Outbound Investment Rules." As advised by our Export Control and OIR Counsel, the FAQs do not change the conclusions described above, including the determination that the Company is not a covered foreign person or the expected applicability of the Publicly Traded Securities Exception to investments in our H Shares. However, the Outbound Investment Rules are relatively new, and the interpretation, implementation and enforcement of such rules, as well as related guidance, including FAQs, may continue to evolve. In addition, the U.S. government may adopt additional rules, guidance or restrictions in the future that further expand the scope of outbound investment regulation or otherwise affect investments by U.S. persons in China-related businesses. Although we are not a covered foreign person under the current Outbound Investment Rules, the adoption of similar or more restrictive laws, regulations or policies, or changes in the interpretation or enforcement thereof, may nevertheless adversely affect investor sentiment, reduce the willingness or ability of certain investors to invest in our H Shares, or otherwise negatively impact the trading price or liquidity of our H Shares.

Furthermore, economic and trade sanctions imposed by the U.S. or other jurisdictions may be costly to comply with and may materially and adversely affect our abilities to acquire technologies, systems, parts or components that may be critical to our technology infrastructure, product offerings and business operations. The cumulative effects of the changes in regulations, international trade policies, tariffs and rising political tensions may adversely impact our business and operating results.

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

Our ability to retain existing customers, attract new ones and expand the scope of products that our customers utilize is critical to our revenue growth. Our customer engagement may decrease for a variety of reasons, including product performance, pricing, competition, macroeconomic conditions or changes in customers' operations. If we are unable to anticipate changing industry trends, enhance our offerings, innovate and develop new products, or expand into new markets, we may not be able to attract and acquire new customers. Our success also depends on our ability to continue to expand our sales capabilities to widen our customer base. If we are unable to attract, motivate or retain a sufficient number of qualified sales and marketing personnel to support our business, the commercialization of our products may be adversely affected.

The loss of a significant number of customers or a slowdown in customer expansion could have a material adverse effect on our business, financial condition, results of operations and prospects. The growth of our business depends in part on existing customers continuing or expanding their use of our products. If we are unable to retain customers and maintain their continued or broadening use of our products, or if there is a decline in our customers' business performance, our growth may slow or decline, and our business may be materially and adversely affected.

Any quality issue with our products, including product defects, may subject us to product liability claims, which may damage our reputation, compromise our market share and adversely affect our business and results of operations.

Our products 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, which could adversely affect our reputation, business, financial condition and results of operations.

We generated our revenue from a limited number of customers during the Track Record Period, and such amount may fluctuate in any given period.

Our major customers primarily include system integrators. Our revenue from the five largest customers in each year/period during the Track Record Period was RMB56.1 million, RMB85.2 million, RMB188.1 million and RMB155.4 million, respectively, accounting for 51.2%, 48.5%, 60.6% and 55.3% of our total revenue for the respective year/period. Accordingly, if any of our major customers scale back or terminate their business relationship with us, or if our business relationship with any of these customers is undermined by negative publicity or controversies around our brand, or if we are unable to negotiate favorable contractual terms with them, or unable to secure new customers on favorable or comparable terms, or at all, our business, financial condition and results of operations may be materially and adversely affected.

We depend on growth in the end markets that adopt our products and the effective deployment and customization by downstream customers. Any slowdown in our addressable markets or ineffective deployment or customization by downstream customers would adversely affect our business and prospects.

Our business success is dependent on the growth and expansion of the end markets that adopt our products, as well as the effective integration and deployment of our products by our customers. We primarily provide cobot and core motion component products to customers operating across industries, 3C electronics, automotive, healthcare, metal processing and logistics. As such, the demand for our products is closely linked to the market development and growth within these end markets, which are influenced by factors such as economic conditions, regulatory changes, technological advances and shifts in customer preferences. Any significant downturn in these markets, or failure to sustain their growth could materially and adversely affect our business, financial condition, results of operations and future prospects.

Our products are frequently integrated into the machinery, equipment and production lines of our customers. Accordingly, customer investment cycles and delays in equipment renewal or expansion may reduce demand for our products. Our products also require effective deployment, customization and system integration by customers to achieve intended performance. Any failure by customers to deploy or customize our products effectively, or any performance or user experience below expectations, could adversely impact materially and adversely affect our business and prospects.

We have a limited track record in the commercialization of our products and there can be no assurance that our sales and marketing efforts will succeed or that our historical growth will be maintained in the future.

We have a limited track record in developing, commercializing and marketing our products compared to some of our competitors. See "Business — Commercialization." The commercialization of our products involves uncertainties relating to market acceptance, customer adoption cycles, deployment effectiveness and sales execution. There can be no assurance that our sales and marketing efforts will be successful, that customer demand will materialize as expected or that our products will be adopted and deployed in a timely and effective manner. Our sales cycles may be lengthy and require significant upfront investment of time and resources, and customer orders may be delayed, reduced or cancelled. In addition, commercialization of new products may involve production ramp-up risks and higher-than-expected costs. As a result, our historical growth may not be indicative of future performance, and any failure to successfully commercialize our products could materially and adversely affect our business, financial condition and results of operations.

Developments in alternative technologies and products may adversely affect the demand for our cobot and core motion component products.

Our cobot and core motion component products are a form of robotic automation built to work safely alongside human workers in a shared, collaborative workspace for the improved performance of tasks and automation processes. Development of alternative technologies and products which provide similar functions may materially and adversely affect the growth prospects of the cobot industry. It is possible that new technologies or non-robotic products may emerge as preferred alternatives. Such new technologies and products may be more efficient, user-friendly and affordable than cobot products and may also render the use of cobot products obsolete and unnecessary in certain use cases. Any failure by us or the cobot industry as a whole to develop new or enhanced technologies or products to react to such alternative products could result in the loss of competitiveness of the industry, a decrease in market expansion opportunities, decreased revenue, and loss of talent and loss of market share to competitors.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We may not be able to obtain or maintain adequate intellectual property rights protection for our products, or the scope of such protection may not be sufficiently broad.

Our success depends in a large part on our ability to protect our proprietary technologies and products from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights. We have filed patent applications in the PRC and other jurisdictions. As of the Latest Practicable Date, we held 238 patents globally. See "Business — Intellectual Property Rights." The patent application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner, if at all. As a result, we may not be able to prevent competitors from developing and commercializing competitive products in all such fields.

Patents may be invalidated, and patent applications may not be granted for reasons such as prior deficiencies in the patent application or the lack of novelty of the underlying invention or technology. 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. Even if our patent applications are successfully granted, our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. Further, although various extensions may be available, the life of a patent and the protection it affords are limited. We may face competition for any approved products even if we successfully obtain patent protection once the patent life expires for such products. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and competitive position.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful.

Competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time-consuming. An adverse result in any litigation proceeding could put our patents at risk of being invalidated, held unenforceable or interpreted narrowly.

Intellectual property litigation may also involve extensive discovery, which could expose certain confidential information. Defendant counterclaims alleging invalidity or unenforceability are commonplace and can be raised by third parties before administrative bodies in China or abroad. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our products or product candidates. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our products or product candidates. Such a loss of patent protection could materially and adversely affect our business.

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.

Companies operating in our industries routinely seek patent protection for their product. Some of our competitors may claim that the expected commercial use of our products has infringed their patents and may initiate legal proceedings in this regard. Whether a product infringes a patent involves an analysis of complex legal and factual issues. 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 on third parties' intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement, regardless of their merit, could result in significant defense costs, damages, injunctions or sales restrictions, require product redesign or licensing arrangements on unfavorable terms or not available at all, divert management attention or cause customers to defer, limit or terminate purchases of affected products. In such cases, we may have to redesign or discontinue selling relevant products, which may adversely affect our business and results of operations.

Changes in patent and copyright law could diminish the value of patents and copyrights in general, thereby impairing our ability to protect our products and services.

The scope of patent and software protection in various jurisdictions is uncertain. Changes in either the patent and copyright laws or their interpretation in China or other jurisdictions may diminish our ability to protect our inventions and intangible assets, obtain, maintain, defend and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent and software copyrights. The coverage claimed in a patent application can be significantly reduced before the patent is granted, and its scope can be reinterpreted after such grant.

Even if our patent applications are successfully granted, such grant may not be in a form that can provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. As a result, the grant of patent application, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

We may be unable to protect the confidentiality of our trade secrets and know-how, and may be subject to claims that we, or our employees or our business partners have wrongfully used, or disclosed trade secrets or know-how allegedly owned by others.

In addition to patents, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect the design and performance of our cobots and their core motion components, particularly those developed for customized applications. Such customization may relate to certain aspects of hardware selection, control systems or core motion components, including configurations optimized for high-precision tasks such as semiconductor packaging, welding and medical testing, as well as heavy payload applications such as logistics palletizing, machine tending, material transfer and logistics automation. For examples of customization, see "Business — Our Product Portfolio — Collaborative Robots." We have implemented confidentiality agreements with employees, business partners and suppliers. However, there is no guarantee that these measures will be effective in preventing unauthorized disclosure or misuse of our trade secrets and know-how. If our trade secrets and know-how are disclosed, whether through breach of confidentiality agreements, cyber-attacks or other means, it could lead to a loss of competitive advantage. Such events may also give rise to costly and protracted legal proceedings. Any adverse outcomes could result in financial liabilities, reputational damage and a loss of competitive position.

Furthermore, we may be subject to claims that we, our employees, or our business partners have wrongfully used or disclosed trade secrets or know-how allegedly owned by others. Such claims, even if unfounded, could result in significant legal expenses and divert management attention from our core business operations. If we are found to have misappropriated the trade secrets or know-how of others, we could be subject to injunctions, damages, and the requirement to obtain licenses, which may not be available on commercially reasonable terms, or at all. Failure to adequately manage these risks could materially and adversely affect our business and prospects.

We may not be able to protect our intellectual property rights globally.

As of the Latest Practicable Date, we held 233 patents in the PRC, one in the European Union, one in South Korea, two in the United States and one in Japan. Filing, prosecuting and defending patents globally can be expensive and time-consuming. We may also encounter difficulties in protecting and defending such rights in overseas jurisdictions. As a result, we may be unable to prevent third parties from using our technologies in jurisdictions where we have not obtained patent protection. Competitors may use our technologies to develop their own products in jurisdictions where we have not obtained patent protection. Our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing with us.

Differences in legal systems and enforcement practices across jurisdictions may further limit the effectiveness of our intellectual property protection. Proceedings to enforce our patent rights in overseas jurisdictions could result in substantial costs and divert our resources and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of rejection, and could provoke third parties to assert claims against us. We may not prevail in lawsuits or be awarded the damages or other remedies, if any, that we deem sufficient. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual properties that we develop.

RISKS RELATING TO OUR GENERAL OPERATION

We have a limited operating history, which makes it difficult to evaluate our business and prospects, and our historical growth may not be indicative of our future performance.

We have a limited operating history since 2017 compared with some of our competitors. Therefore and in light of the rapidly evolving nature of our industry, our historical results may not provide a meaningful basis for evaluating our business, financial condition, results of operations and prospects.

If we are unable to attract, retain or motivate key individuals such as key management, technical staff, qualified executives, developers, engineers and sales representatives, our business, financial condition and results of operations would be affected.

Hiring and retaining key individuals, such as key management, technical staff, qualified executives, developers, engineers and sales representatives is critical for our business. Competition for experienced personnel in our industry is intense, termination of relationship with any of our key R&D employees or management may compromise our competitive edge, which may in turn materially and adversely affect our business, financial condition and results of operations.

Our reliance on distributors exposes us to risks relating to distributor performance, relationship management and inventory visibility, which could materially and adversely affect our business.

We rely in part on distributors to market and sell our products. In 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our revenue generated from sales to distributors accounted for 6.8%, 8.4%, 6.2%, 6.4% and 5.7% of our total revenue, respectively. Our distributors may be unable to operate successfully, maintain competitiveness or effectively promote our products, due to factors including their own operational capabilities, financial condition, market conditions or execution of marketing and sales activities. If distributors reduce orders, seek pricing concessions, fail to renew distribution arrangements or exit our distribution network, our access to customers, sales volume and revenue could be adversely affected.

In addition, our ability to manage distributor relationships and maintain the stability of our distribution network depends in part on distributors' inventory management and financial discipline. Distributors may fail to manage inventory levels effectively, which could strain their liquidity, reduce their willingness or ability to place new orders or lead to disputes regarding slow inventory turnover. Any deterioration in distributor performance or relationships could impair the stability of our distribution network and damage our reputation among distributors.

Furthermore, we may have limited visibility into distributors' end-customer sales and inventory levels. Inaccurate or incomplete information may impair our ability to forecast demand, manage our own inventory levels and plan production effectively, which could result in excess inventory or product shortages. Any failure to effectively manage our distributor network or inventory planning could materially and adversely affect our business, financial condition and results of operations.

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

We continue to execute a number of strategies to expand our business, including advancing R&D on core technologies and products, expanding our products' application scenarios, investing in global market expansion, and upgrading and expanding our production capabilities among others. See "Business — Our Strategies" and "Future Plans and Use of Proceeds." However, expanding our business involves risks and challenges. Our initiatives in advanced technology and innovative products may prove unsuccessful. Further, we will incur substantial R&D expenses and selling and distributing expenses for developing, conceptualizing and commercializing our new products across international markets. It may also take a longer time than expected for us to develop the technologies and build market acceptance of our products, and we may not have sufficient experience in executing these new business initiatives effectively. There is no assurance that market demand will grow in line with our expanded production capabilities or result in increase in revenue or profitability. We cannot assure you that any of these new business initiatives will achieve our expected market acceptance and generate the 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, financial condition and results of operations may be materially and adversely affected.

We lease properties primarily for office use and production. Any non-renewal of leases, substantial increases in rent, or any third-party challenge to our leasehold interest, may affect our business and financial performance.

As we lease properties in various places as premises primarily for office use and production, our operations are susceptible to fluctuations in the property rental market. There is no assurance that our existing leases would be renewed on similar or favorable terms or at all. Any substantial increase in the rents of our leased properties may increase our property rental and related expenses. There is also no assurance that our existing leases will not be terminated early by the lessors before the expiry of the relevant term.

As of the Latest Practicable Date, we were unable to file the lease agreements for registration with respect to five of our leased properties in China, which may subject us to fines in accordance with applicable PRC laws and regulations. The maximum aggregate penalty, if imposed, would be RMB50,000, which our Directors believe would not have any material adverse impact on our business operations. Additionally, as of the Latest Practicable Date, certain of our leased properties had title defects that could adversely affect our ability to continue using them in the future. These defects may result in the properties being unusable or subject us to fines. See "Business — Properties — Leased Properties." If disputes or government actions arise due to these issues, we may face challenges in continuing to lease such properties and may be required to relocate, which may incur additional costs and cause operational disruptions, further adversely affecting our business and results of operations.

We may be required to make additional social insurance fund and/or housing provident fund contributions and late payments and fines under PRC laws and regulations.

We are required by PRC laws and regulations to make contributions for mandatory social insurance and/or housing provident funds for our employees. During the Track Record Period, we did not make adequate contributions to the social insurance and/or housing provident funds for some of our employees. As of December 31, 2022, 2023 and 2024 and as of September 30, 2025, the shortfall of social insurance and housing provident fund contributions amounted to RMB4.6 million, RMB9.4 million, RMB8.4 million and RMB10.9 million, respectively. As advised by our PRC Legal Advisor, we may be ordered by the relevant authorities to pay the overdue contributions within the prescribed period, failing which we may be subject to a penalty or subject to specific enforcement by the People's Court. See "Business — Employees — Social Insurance and Housing Provident Funds." We cannot assure you that we will not be subject to any order to rectify such noncompliance in the future. Any such order may materially and adversely affect our business, financial condition and results of operations.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. As this interpretation reinforces the legal invalidity of any waiver of statutory social insurance obligations and underscores the importance of maintaining robust compliance and internal control measures to prevent potential disputes, we may be exposed to an increasing compliance burden and potential risk of future labor disputes, which could potentially affect our business, financial condition and results of operations.

Any misuse of or flaws in robotic and AI technologies, whether actual or perceived, intended or inadvertent, committed by us or by other third parties, could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

Robotic and AI technologies are in the early stages of development and continue to evolve. Similar to many innovations, robotic and AI technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications which breach public confidence or violate applicable laws and regulations in relevant jurisdictions, or litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights, including privacy or personality rights. Such misuse could affect customer perception, public opinions, views of policymakers and regulators and result in decreased adoption of robotic and AI technologies.

In addition, flaws or deficiencies in robotic and AI technologies could undermine the effectiveness of our products and services. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. Any flaws or deficiencies in robotic and AI technologies and the related products and services, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

We may be involved in legal proceedings and commercial or contractual disputes, which could affect our reputation, business, financial condition and results of operations.

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of our business, including disputes arising from payment arrangements with customers and suppliers. We cannot assure you that we will not be involved in various legal and other disputes in the future, which may expose us to additional risks and losses. In addition, we may have to pay legal costs associated with such disputes, including fees relating to appraisal, auction, execution and legal advisory services. Litigation and other disputes may lead to inquiries, investigations and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our core business. The disruption of our business due to judgments, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees may materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

We have customary insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources.

We maintain insurance policies that are required under PRC laws and regulations as well as other insurance policies based on our assessment of our operational needs and industry practice. See "Business — Insurance." Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we were held liable for uninsured losses or amounts and claims for insured losses exceeding the limits of our insurance coverage, our business, financial conditions and results of operations may be adversely affected.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency, cyber-attacks or security breaches, which may affect our reputation, business, financial condition and results of operations.

We rely on information technology networks and systems to support our daily operations. These information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. If our information technology systems suffer damage, disruption or shutdown we may incur substantial costs in repairing or replacing these systems. Failures in information technology systems could potentially lead to problems with our products. If we do not effectively resolve the issues in a timely manner, our business, financial condition and results of operations may be materially and adversely affected and we could experience delays in reporting our financial results.

We are subject to complex and evolving ESG requirements, which require us to devote substantial time and resources for compliance.

There is an increasing focus on corporate responsibility and a number of regulations and requirements on ESG performance pose reputational, regulatory and other risks to us. We devote substantial time and resources to develop technology and products designed to maintain environmentally friendly business operations. The process of developing new production technologies and enhancing existing production technologies to mitigate the impact of climate change is often complex, costly and uncertain, and we may pursue strategies or make investments that do not prove to be commercially successful in the time frames expected, or at all. Compliance with these ESG requirements and regulations requires additional investments of resources. Should our compliance measures prove inadequate to address regulatory changes or enforcement trends, we may be subject to legal liability, fines, suspension of production, a loss of licenses to operate certain facilities and other sanctions, interruptions to operations, securities litigation and a general loss of investor confidence, any one of which could have a material adverse impact on our business and financial performance. If we are unable to satisfy such new criteria or are unable to respond or perceived to be inadequately responding to sustainability concerns, investors may conclude that our policies with respect to corporate responsibility are inadequate. We risk damage to our brand and our reputation in the event that our corporate responsibility procedures or standards do not meet the standards set by various third parties. Any of these circumstances could cause negative publicity, and our business operations could be adversely impacted.

RISKS RELATING TO THE SUPPLY CHAIN AND MANUFACTURING OF OUR PRODUCTS

We may face supply chain risks as a result of our reliance on a limited number of component suppliers.

Procurement from certain major suppliers for manufacturing materials is essential to our operations. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB36.1 million, RMB44.5 million, RMB65.6 million and RMB50.3 million, respectively, accounting for 38.1%, 35.4%, 32.3% and 28.8% of our total cost of sales for the respective year/period. In addition, purchases from our largest supplier in each year/period during the Track Record Period accounted for 12.7%, 14.4%, 12.2% and 7.7% of our total cost of sales for the respective year/period, respectively. Any deterioration or termination of relationship with our major suppliers or interruptions in their operations could adversely affect our supply chain and production capabilities.

The stability of operations and business strategies of our suppliers is subject to a number of factors beyond our control, and we cannot assure you that we will be able to secure a stable relationship with such suppliers. Identifying and qualifying alternative or additional suppliers and vendors is often a lengthy process and can lead to production delays, interruptions to our production and additional costs, and such alternatives are sometimes not available on commercially reasonable terms, or at all. The inability of suppliers or vendors to deliver necessary production parts and components can disrupt the production processes of our products and make it more difficult for us to implement our business strategy. Suppliers and vendors periodically extend lead times, face capacity constraints, limit supplies, increase prices, experience quality issues or encounter other issues that can interrupt or increase the cost of our supply and services.

Increases in the cost of the parts and components that we use in our products would adversely affect our business, financial condition and results of operations.

We depend on third-party suppliers to provide a variety of materials and components necessary for our production activities. Our production volume and production costs depend on our ability to source key raw materials at competitive prices. Our cost of raw materials amounted to RMB64.7 million, RMB96.9 million, RMB156.2 million, RMB102.2 million and RMB137.5 million in 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. However, the raw materials we use are subject to price volatility caused by external factors, such as disruptions in the supply chain, commodity price fluctuations, changes in supply and demand, logistics and processing costs, our bargaining power with suppliers, inflation and governmental regulations and policies. Consequently, we may not be able to obtain stable, high-quality raw materials at reasonable prices at all times. In response to rising raw material costs, we may need to increase the prices of our products or seek alternative suppliers. However, we may not be able to pass on increased costs to customers due to competitive pressures or identify alternative sources of raw materials in a timely and cost-effective manner. In addition, we may need to stock a large amount of inventory due to strategic reasons, which we may not be able to fully utilize due to reasons such as shifts in customer demand or technological developments which renders our inventory obsolete. As a result, we may need to write down or write off our inventory stock. If raw material prices increase significantly and we are unable to mitigate these costs, our business, financial condition and results of operations would be adversely affected.

If we are unable to manage our inventory risks efficiently or the proportions and amount of the write-down of our inventories further increase, our financial and results of operations may be adversely affected.

Effective inventory management is critical to supporting our business expansion and ensuring the timely delivery of solutions to our customers. Our inventory primarily consists of raw materials, work in process, finished goods and goods in transit. We had inventories of RMB88.0 million, RMB110.7 million, RMB128.0 million and RMB140.4 million as of December 31, 2022, 2023 and 2024 and as of September 30, 2025, respectively. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, our inventory turnover days were 276.1 days, 289.8 days, 213.5 days and 206.6 days, respectively. In the same years, we had write-downs of inventories of RMB14.1 million, RMB0.6 million, RMB4.3 million and RMB3.5 million, respectively. Our ability to accurately forecast customer demand and manage inventory levels effectively could be impacted by a variety of factors, including the rapidly evolving nature of the markets in which we operate, shifts in customer demand for our products, unanticipated changes in general market conditions, and disruptions caused by health epidemics or other unforeseen events. If we maintain inventory levels in excess of actual demand, we may face risks of material inventory write-downs or write-offs, as well as the possibility to sell excess inventory at discounted prices, which could negatively affect our profitability and financial condition. Conversely, if we fail to maintain adequate inventory levels to meet customer demand, we may be unable to deliver products in a timely manner, leading to strained customer relationships, reputational harm and missed revenue opportunities. Accordingly, failure to accurately forecast market demand for our solutions and maintain an optimal inventory level may materially and adversely affect our business, financial condition and results of operations.

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

During the Track Record Period, we manufactured and produced our products primarily at our production facility in Foshan, Guangdong. See "Business — Procurement and Production — Our Production Facilities." Our ability to meet the demands of our customers and grow our business thus relies on the efficient, proper and uninterrupted operation of our production facilities 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 relationships with customers could be damaged, which could have a material and adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL

We may not be able to obtain additional capital when desired on favorable terms or at all.

Our future capital requirements may exceed our available cash and operating cash flows. Our ability to obtain additional financing will depend on a number of factors, including market conditions, investor sentiment, our financial performance, regulatory developments and general economic conditions. There can be no assurance that additional financing will be available to us on acceptable terms, or at all, when required. If we are unable to obtain sufficient financing when needed, we may be required to delay or reduce investments in research and development, production capacity, sales and marketing or other strategic initiatives. In addition, any future equity or equity linked financing may dilute existing shareholders, while debt financing may impose restrictive covenants or increase our interest burden. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

We have incurred net losses during the Track Record Period and may not be able to achieve or subsequently maintain profitability in the near future. We cannot assure you whether and when we will declare and pay dividends in the future.

We incurred a net loss of RMB83.4 million in 2022, which turned to a net profit of RMB1.9 million and RMB17.9 million in 2023 and 2024, respectively. We then incurred a net loss of RMB15.6 million in the nine months ended September 30, 2025. However, our ability to sustain a net profit depends on a number of factors, including our ability to advance our technology development and introduce new products, maintain and expand our customer base, enhance our sales network across jurisdictions, protect our intellectual property, manage operational costs effective and secure additional capital when needed. Accordingly, you should not rely on the revenues of any prior periods as an indication of our future performance.

We had recorded net operating cash outflows historically and there can be no assurance that we will not have net cash outflow from operating activities in the future.

We recorded net cash flow used in operating activities of RMB153.5 million and RMB57.2 million in 2022 and 2023, respectively. We had net operating cash inflow of RMB11.9 million in 2024, primarily due to the substantial increase in our revenue growth which surpassed the growth in our costs and expenses during the year. We recorded net operating cash outflow of RMB18.3 million in the nine months ended September 30, 2025, primarily due to cost of sales and operating expenses incurred for the provision of our products, carrying out R&D and selling and marketing activities, as well as administrative management. See "Financial Information — Liquidity and Capital Resources — Net Cash (Used in)/From Operating Activities." 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. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. Thus, our business, financial condition and results of operations may be adversely affected.

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

During the Track Record Period, we benefited from government grants, many of which are nonrecurring in nature or are subject to periodic review. In 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, we had government grants of RMB1.2 million, RMB3.2 million, RMB7.7 million, RMB7.4 million and RMB0.3 million, respectively. In addition, our Company and certain our subsidiaries are qualified as high and new technology enterprises and were subject to income tax at a preferential tax rate of 15% in 2022, 2023, 2024 and the nine months ended September 30, 2025. We had income tax credit amounted to RMB1.5 million, RMB41.4 million, RMB1.2 million, RMB1.6 million and RMB3.6 million in 2022, 2023, 2024 and nine months ended September 30, 2024 and 2025, respectively. See "Financial Information — Description of Major Components of Our Results of Operations — Income Tax Credit/(Expense)."

However, the PRC governmental authorities may decide to reduce or cancel such government grants or preferential tax treatment, or require us to repay part or all of the government grants we previously received at any time, which could adversely affect our business, financial condition, results of operations and prospects. As these government grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or benefiting from them in the future. In addition, we may not be able to successfully or timely obtain the government grants or preferential tax treatment that may become available to us in the future, and such failure could adversely affect our business, financial condition, results of operations and prospects.

We are subject to credit risk related to delays in payment and defaults of customers, distributors or related parties, which would adversely affect our liquidity and financial condition.

We are exposed to credit risk related to delays in payment and defaults of our various customers or related parties. As of December 31, 2022, 2023 and 2024 and as of September 30, 2025, our trade and bills receivables amounted to RMB48.0 million, RMB69.7 million, RMB111.6 million and RMB134.6 million, respectively. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, our trade receivable turnover days were 128.7, 122.4, 106.6 days and 118.3 days, respectively. We may not be able to collect all such trade and bills receivables due to a variety of factors that are beyond our control, including long payment cycles of certain customers, adverse operating conditions or the financial condition of customers, and customers' inability to pay caused by their end users' delay in payment. An increase in trade receivables may result in potential mismatches in time between receipt of payments from our customers and payment obligations incurred by us. This may further lead to liquidity risk and may negatively affect our cash flow position and our ability to meet our working capital requirements, as we may have less cash available to fund our operations, invest in research and development, or pursue strategic opportunities, which could, in turn, impact our ability to maintain our competitive position. If our customers or related parties delay or default in their payments to us, we may have to make impairment provisions and write off the relevant receivables, and hence our liquidity and financial condition would be adversely affected.

We have granted, and may continue to grant, share-based awards, which may further increase our share-based payments expenses and adversely affect our financial condition.

We recorded share-based payments expenses of RMB12.8 million, RMB69.6 million, nil, nil and RMB24.7 million in 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. See Note 33 of Appendix I to this Prospectus. 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 and adversely affect our financial condition.

If we fail to perform our contractual obligations, our liquidity and financial positions may be materially and adversely affected in the future.

Our contract liabilities primarily represent the advance consideration received from our customers before we transfer the related goods or services. Our contract liabilities were RMB7.0 million, RMB10.6 million, RMB6.9 million and RMB4.4 million as of December 31, 2022, 2023 and 2024 and as of September 30, 2025, respectively. If we fail to fulfill our obligations with respect to our contract liabilities, we may not be able to convert such contract liabilities into revenue as expected. Furthermore, if we fail to fulfill our obligations with respect to our contract liabilities, our customers may request not to prepay us in the future. Any of these circumstances could materially and adversely affect our business, results of operations, cash flow and liquidity condition.

Our business is subject to seasonality.

We generally recognize a significant portion of our revenue in the second half of our fiscal year primarily because customers tend to plan their budgets at the beginning of the year and execute them towards the end. 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 expectations, we could be left with excess inventory, higher working capital and liquidity requirements, 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, which could result in volatility and adversely affect the price of our H Shares.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

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

Economic and industry uncertainty or changes, including changes in economic condition, recession or slowing growth, inflation, changes or uncertainty in fiscal, monetary or trade policies, disruptions to capital markets, currency fluctuations, higher interest rates, tighter credit, lower capital expenditures by businesses, including on IT infrastructure, increases in unemployment, labor shortages, and lower consumer confidence and spending. In addition, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or COVID-19, or force majeure events including acts of war or terrorism may disrupt our R&D, manufacturing and commercialization activities and business operations, all of which could adversely affect our business, financial condition, results of operations and prospects.

Government control of currency conversion and restrictions on the remittance of RMB into and out of China could limit our ability to utilize our revenues effectively, to pay dividends and other obligations, and affect the value of our H Shares.

The remittance of currency in and out of China is subject to various laws and regulations. Considerable amounts of our revenues and expenses are denominated in Renminbi, and the net proceeds from the Global Offering and any dividends we pay on our H Shares will be in Hong Kong dollars. Under China's existing foreign exchange regulations, following the completion of the Global Offering, we will be able to make current account foreign exchange transactions, including paying dividends in foreign currencies without prior approval from the State Administration of Foreign Exchange ("**SAFE**").

Foreign exchange transactions under our capital account are subject to foreign exchange controls under relevant regulations and require SAFE's approval. These limitations could affect our ability to obtain foreign exchange through offshore financing.

Furthermore, the net proceeds from the Global Offering are expected to be deposited in currencies other than Renminbi until we obtain necessary approvals from relevant PRC regulatory authorities to convert these proceeds into onshore Renminbi. If we cannot convert the net proceeds into onshore Renminbi in a timely manner, our ability to deploy these proceeds efficiently may be affected as we will not be able to invest these proceeds on Renminbi-denominated assets onshore or deploy them in uses onshore where Renminbi is required. All of these factors could affect our business, financial condition, results of operations and prospects.

Fluctuations in exchange rates of Renminbi against the Hong Kong dollar or other foreign currencies could affect our results of operations and the value of your investment.

Fluctuations in the exchange rate of Renminbi against foreign currencies such as Hong Kong dollar are affected by, among other things, changes in political and economic conditions in China and internationally. In 2022 and 2023, our net foreign exchange gains were RMB4.6 million and RMB5.9 million, respectively. In 2024, our net foreign exchange losses was RMB2.0 million. We had net foreign exchange losses of RMB0.6 million and net foreign exchange gains of RMB4.9 million in the nine months ended September 30, 2024 and 2025, respectively. The proceeds from the Global Offering will be denominated in Hong Kong dollars. As a result, any appreciation of Renminbi against foreign currencies may result in a decrease in the value of our foreign currency-denominated assets and our proceeds from the Global Offering. Conversely, any depreciation of Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in foreign currencies. All of these factors could affect our business, financial condition, results of operations and prospects, and could affect the value of, and dividends payable on, our H Shares in foreign currency terms.

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

Non-Chinese resident individual holders of H Shares whose names appear on the register of members of H Shares ("**Non-Chinese Resident Individual Holders**"), are subject to Chinese individual income tax on dividends received from us. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知(國稅函[2011]348號)) dated June 28, 2011 and issued by the State Tax Administration (the "**SAT**"), the tax rate applicable to dividends paid to Non-Chinese Resident Individual Holders of H Shares varies from 5% to 20% (usually 10%), depending on whether there is any applicable tax treaty between China and the jurisdiction in which the Non-Chinese Resident Individual Holder of H Shares resides, as well as the tax arrangement between China and Hong Kong. Non-Chinese Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us. See "Regulatory Overview — Laws and Regulations Related to Our Business in the PRC — Regulations on Taxation." In addition, under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) (the "**Individual Income Tax Law**") and its implementation regulations, Non-Chinese Resident Individual Holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) issued by the Ministry of Finance and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, none of the aforesaid provisions had expressly provided that individual income tax shall be levied on non-Chinese Mainland resident individual holders on the transfer of shares in Chinese Mainland resident enterprises listed on overseas stock exchanges. To the best of our knowledge, the Chinese tax authorities have not, in practice, sought to collect individual income tax on such gains. If such tax is collected in the future, the value of such individual holders' investments in H Shares may be materially and adversely affected.

Under the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the "**EIT Law**") and its implementation regulations, a non-Chinese resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to its income sourced from China, including dividends received from a Chinese company and gains derived from the disposition of equity interests in a Chinese company. This rate may be reduced under any special arrangement or applicable treaty between China and the jurisdiction in which the non-Chinese resident enterprise resides. Pursuant to the Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Non-resident Enterprises Holding H-shares of the Enterprises (Guo Shui Han [2008] No. 897) (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繳企業所得稅有關問題的通知(國稅函[2008]897號)) promulgated by the SAT on November 6, 2008, we intend to withhold tax at 10% from dividends payable to non-Chinese resident enterprise holders of H Shares (including HKSCC Nominees). Non-Chinese 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 Chinese 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 approval by the Chinese tax authorities. There are uncertainties as to the interpretation and implementation of the EIT Law and its implementation rules by Chinese tax authorities, including whether and how enterprise income tax on gains derived upon the sale or other disposition of H

Shares will be collected from non-Chinese resident enterprise holders of H Shares. If such tax is collected in the future, the value of such non-Chinese resident enterprise holders' investments in H Shares may be materially and adversely affected.

Payment of dividends is subject to restrictions under PRC law.

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

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

It may be difficult to effect service of process, enforce foreign judgments or bring original actions against us, our Directors, Supervisors and senior management residing in China.

We are a company incorporated under the laws of China, and a substantial majority of our assets are located in China. In addition, most of our Directors, Supervisors and senior management reside within Chinese Mainland. As a result, the service of process, investigation, collection of evidence, ratification and enforcement procedure inside China should follow the rules set forth in the Civil Procedure Law of the People's Republic of China as well as other applicable laws, regulations and interpretations. These generally require more time and associated costs. On July 14, 2006, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "**2006 Arrangement**"). Pursuant to the 2006 Arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial in accordance with a choice of court agreement in writing, may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement.

On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into 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 became effective on January 29, 2024. The 2019 Arrangement supersedes the 2006 Arrangement and affords greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement took effect. However, there remain uncertainties as to the outcome of any specific applications to recognize and enforce such judgments and arbitral awards in China.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares, and the liquidity and market price of our H Shares may be volatile.

Prior to the Global Offering, there has been no public market for our H Shares. The Offer Price range for our H Shares was the result of negotiations between us, the Overall Coordinators and the Joint Global Coordinators on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for our H Shares following the Global Offering. We have applied for listing of, and permission to deal in, our H Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for our H Shares will develop or, if it does develop, that it will be sustained following the Global Offering or that the market price of our H Shares will not decline following the Global Offering. Furthermore, the market price and trading volume of our H Shares may be volatile, subject to a number of factors such as the fluctuations in our operational results, the effectiveness in executing our strategies, adverse market conditions, litigations, regulatory changes, geopolitical tensions, technology developments, among others. Moreover, the capital market has from time to time experienced significant price and trading volume fluctuations that were unrelated or not directly related to the operating performance of the underlying companies in the market. These broad market and industry fluctuations may have a material and adverse effect on the market price and trading volume of our H Shares.

An active and liquid trading market for our H Shares may not develop.

Prior to the Global Offering, our H Shares were not traded on any other market. We cannot assure you that an active and liquid trading market for our H Shares will be developed or be maintained after the Global Offering. Liquid and active trading markets usually result in less price volatility and greater efficiency in carrying out investors' purchase and sale orders. The market price of our H Shares could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our H Shares, you could lose a substantial part or all of your investment in our H Shares.

Future sales or perceived sales or conversion of substantial amounts of our securities in the public market, such as conversion of our Domestic Shares into H Shares, could have a material and adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

Future sales of substantial amounts of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new H Shares or other securities relating to our H Shares, or the perception that such sales or issuances may occur, could all cause a decline in the market price of our H Shares. Future sales, or perceived sales, of substantial amounts of our securities or other securities relating to our H Shares, including part of any future offerings, could also materially and adversely affect the prevailing market price of our H Shares and our ability to raise capital in the future at a time and a price which we deem appropriate. Although our existing shareholders are subject to restrictions on their sales of H Shares during the 12 months from the Listing Date as described in "History, Development and Corporate Structure," future sales of a significant number of our H Shares by our Controlling Shareholders or other existing shareholders in the public market after the Global Offering, or the perception that these sales could occur, could cause the market price of our H Shares to decline and could materially impair our future ability to raise capital through offerings of our H Shares. We cannot assure you that our Controlling Shareholders, or other existing shareholders, will not dispose of H Shares held by them or that we will not issue H Shares upon the expiration of restrictions set out above.

We may not be able to pay any dividends on our H Shares.

No dividend was paid or declared by our Company during the Track Record Period. We cannot guarantee when and in what form dividends will be paid on our H Shares following the Global Offering. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation our business and financial performance, capital and regulatory requirements, and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. See "Financial Information — Dividends and Dividend Policy."

If securities or industry analysts do not publish research reports about us, or if they adversely change their recommendations regarding our H Shares, the market price and trading volume of our H Shares may decline.

The trading market of our H Shares may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the market price of our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts ceases coverage of us or fails to regularly publish reports on us, we could lose visibility in the financial markets which, in turn, could cause the market price or trading volume of our H Shares to decline.

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

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

Certain facts, forecasts and other statistics in this document are derived from publicly available official governmental sources.

This Prospectus includes industry data and forecasts extracted from official government publications or publicly available sources. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Underwriters or any other parties involved in the Global Offering and no representation is given as to its accuracy. For these reasons, the information from official government sources contained in this Prospectus may not be accurate and should not be given undue reliance as a basis for making your investment in our H Shares.

We may need additional capital, and the sale and issue of additional H Shares or other equity securities could result in additional dilution of our Shareholders.

Notwithstanding our current cash and cash equivalents and the net proceeds from the Global Offering, we may require additional cash resources to finance our continued growth or other future developments. We cannot assure you that financing will be available in the amounts or on terms acceptable to us, if at all. If we fail to raise additional funds, we may need to sell and issue additional equity securities, which could result in additional dilution of our Shareholders.

Investors should read the entire document carefully and should not consider any particular statements in this Prospectus or in published media reports without carefully considering the risks and other information contained in this Prospectus.

Prior to the publication of this Prospectus, there has been and there may also be, subsequent to the date of this Prospectus but prior to the completion of the Global Offering, press and media coverage regarding us, our business, our industries and the Global Offering, which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorized the disclosure of any such information 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 such 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 Prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this Prospectus only and should not rely on any other information.

In preparation for the Listing, we have applied to the Stock Exchange for the following waivers from strict compliance with the relevant provisions of the Listing Rules:

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transactions after the Listing, which will constitute our non-exempt continuing connected transactions under Chapter 14A of Listing Rules upon Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver under Rule 14A.105 of the Listing Rules from strict compliance with the announcement and independent shareholders' approval requirements (as the case may be) in respect of the transactions under Chapter 14A of the Listing Rules. See "Connected Transactions."

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two executive directors must be ordinarily resident in Hong Kong. Given that (i) our core business operations are principally located, managed and conducted in the PRC and will continue to be based in the PRC; (ii) our Company's head office is situated in the PRC, our executive Directors and senior management team principally reside in the PRC and will continue to be based in the PRC after the Listing; and (iii) the management and operation of our Company have mainly been under the supervision of the executive Directors and senior management of our Company, who are principally responsible for the overall management, corporate strategy, planning, business development and control of our Company's business, and all the executive Directors and senior management of our Company principally reside in the PRC and it is important for them to remain in close proximity to our Company's operation located in the PRC, we consider that it would be more practical for our executive Directors and senior management to remain ordinarily resident in the PRC where our Company has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Stock Exchange as well as compliance with the Listing Rules by way of the following arrangements:

(i) **Authorized representatives:** we have appointed Mr. Zhang Yingtao (張應濤) and Ms. Chan Pui Ching (陳佩貞) ("**Ms. Chan**") as the 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. Although Mr. Zhang Yingtao resides in the PRC, he possesses valid travel documents and are able to renew such travel documents when they expire in order to visit Hong Kong and Ms. Chan is an ordinarily resident in Hong Kong. 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. See "Directors and Senior Management" for more information about Mr. Zhang Yingtao and Ms. Chan.

(ii) **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/or email addresses) of each of our Directors. In the event that any Director expects to travel or otherwise be out of the office, he or she will provide the phone number, and fax numbers (where applicable) of the place of his/her accommodation to the Authorized Representatives. Accordingly, the Authorized Representatives have means for contacting all directors promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters. To the best of our knowledge and information, each Director who is not ordinarily resident 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 after being requested to do so by the Stock Exchange.

(iii) **Compliance adviser:** we have appointed Gram Capital Limited as our compliance adviser ("**Compliance Adviser**") in compliance with Rule 3A.19 of the Listing Rules. The Compliance Adviser will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as an additional channel of communication of our Company with the Stock Exchange during the period from the Listing Date to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately after the Listing. The Compliance Adviser will be available to answer enquiries from the Stock Exchange and will act as the principal channel of communication with the Stock Exchange when the Authorized Representatives are not available.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that our Company 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, our Company must appoint an individual, who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

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

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

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(c) 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, in assessing "relevant experience," the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other issuers and the roles they played;

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

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

(d) professional qualifications in other jurisdictions.

We have appointed Mr. Zhang Yingtao (張應濤) as one of the joint company secretaries of our Company. Mr. Zhang Yingtao has been responsible for financing, investor relations, financial management, legal and compliance, and business development of our Group since November 2020 and was appointed as our chief financial officer, Board secretary, and our executive Director on May 14, 2025, through which Mr. Zhang Yingtao has gained a thorough understanding of the management and business operation of our Group. Mr. Zhang Yingtao has been actively involved in the proposed Listing since its inception. As Mr. Zhang Yingtao has substantial experience in handling financing, investor relations, financial management, legal and compliance, and business development matters relating to our Company, and is familiar with our Company's business operations, the Board believes that the appointment of Mr. Zhang Yingtao as our company secretary would be beneficial for our Company. See "Directors and Senior Management" for further biographical details of Mr. Zhang Yingtao. However, Mr. Zhang Yingtao personally does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, our Company has appointed Ms. Chan, 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, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries and to provide assistance to Mr. Zhang Yingtao for an initial period of three years from the Listing Date to enable Mr. Zhang Yingtao to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. See "Directors and Senior Management" for further biographical details of Ms. Chan which satisfy the requirements under Note 1(a) to Rule 3.28 of the Listing Rules.

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

(a) Mr. Zhang Yingtao will endeavor to attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules, which will be organized by our Company's Hong Kong legal advisers on an invitation basis and seminars organized by the Stock Exchange for listed issuers from time to time;

(b) Ms. Chan will assist Mr. Zhang Yingtao to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as the company secretary of our Company;

(c) Ms. Chan will communicate regularly with Mr. Zhang Yingtao on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Ms. Chan will work closely with, and provide assistance for, Mr. Zhang Yingtao in the discharge of his duties as a company secretary, including organizing our Company's Board meetings and general meetings; and

(d) Upon expiry of Mr. Zhang Yingtao's initial term of appointment as the joint company secretary of our Company, we will evaluate his experience in order to determine if he has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Mr. Zhang Yingtao's appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when Ms. Chan ceases to provide assistance to Mr. Zhang Yingtao or there are material breaches of the Listing Rules by our Company. Before the expiry of the initial three-year period, the qualification of Mr. Zhang Yingtao will be re-evaluated to determine whether the requirements as stipulated in Note 2 to Rule 3.28 of the Listing Rules can be satisfied.

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

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

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

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a listing applicant is required to include in its prospectus a report by the auditors of the listing applicant with respect to profits and losses and assets and liabilities in respect of each of the three financial years immediately preceding the issue of the prospectus.

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as it thinks fit, a certificate of exemption from compliance with the relevant requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with the relevant requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Pursuant to Rule 4.04(1) of the Listing Rules, the accountant's report contained in this prospectus must include, inter alia, the results of our Company in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Stock Exchange.

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

Pursuant to Rule 13.49(1) of the Listing Rules, a issuer must publish its preliminary financial results not later than three months after the end of the financial year.

The Accountants' Report for each of the three years ended December 31, 2024 and the nine months ended September 30, 2025 has been prepared and is set out in Appendix I to this prospectus. Pursuant to the relevant requirements set out above, our Company is required to include three full years of audited accounts for the three years ended December 31, 2025 in this prospectus. As such, an application has been made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver has been granted by the Stock Exchange on the conditions that:

(a) this prospectus will be issued on or before March 20, 2026 and the Company's H Shares will be listed on or before March 31, 2026, i.e. three months after the latest financial year end of our Company;

(b) in accordance with Chapter 1.1A of the Guide for New Listing Applicants, the preliminary unaudited financial information for the financial year ended December 31, 2025 and a commentary on the results for that financial year have been included in this prospectus, which (a) follows the same content requirements as for a preliminary results announcement under Rule 13.49 of the Listing Rules; and (b) has been agreed with the reporting accountants following their review under Practice Note 730 "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants; and

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

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and a certificate of exemption has been granted by the SFC under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that (i) the particulars of the exemption are set out in this prospectus; (ii) this prospectus will be issued on or before March 20, 2026 and the Company's H Shares will be listed on the Stock Exchange on or before March 31, 2026, i.e. three months after the latest financial year end of the Company.

Pursuant to the Note to Rule 13.49(1) of the Listing Rules, our Company will publish an announcement after the Listing and no later than March 31, 2026 stating that the relevant financial information has been included in this prospectus. Our Company will not be in breach of our constitutional documents or laws and regulations of the PRC, where our Company is incorporated, or other regulatory requirements as a result of not publishing our preliminary results announcement for the year ended December 31, 2025 in accordance with Rule 13.49(1) of the Listing Rules.

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

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

(b) our Directors and the Joint Sponsors confirm, after performing sufficient due diligence work up to the date of this prospectus, that there has been no material adverse change to the financial and trading positions or prospects of the Group since October 1, 2025 (immediately following the date of the latest audited statement of financial position in the Accountants' Report set out in Appendix I to this prospectus) up to the date of this prospectus, and there has been no event since October 1, 2025 which would materially affect the information contained in the Accountants' Report as set out in Appendix I to this prospectus, the financial information section, the unaudited preliminary financial information of the Group for the year ended December 31, 2025 and a commentary on the results for the year as set out in Appendix IIA to this prospectus and information regarding the Company's recent development subsequent to the Track Record Period and up to the date of this prospectus;

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

(d) pursuant to the Note to Rule 13.49(1) of the Listing Rules, our Company will publish an announcement after the Listing and no later than March 31, 2026 stating that the relevant financial information has been included in this prospectus. Our Company will not be in breach of our constitutional documents or laws and regulations of the PRC, where our Company is incorporated, or other regulatory requirements as a result of not publishing our preliminary results announcement for the year ended December 31, 2025 in accordance with Rule 13.49(1) of the Listing Rules; and

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

WAIVER AND CONSENT IN RESPECT OF SUBSCRIPTIONS OF OFFER SHARES BY CLOSE ASSOCIATES OF EXISTING SHAREHOLDER AS CORNERSTONE INVESTORS

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

Paragraph 1C(2) of Appendix F1 to the Listing Rules provides, inter alia, that no allocations will be permitted to applicant's existing shareholders or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled, without the prior written consent of the Stock Exchange.

Chapter 2.5 of the Guide provides that (i) given the likely significant funding needs of Specialist Technology Companies (as defined under Chapter 18C of the Listing Rules) and the importance of existing shareholders in meeting the funding needs of these companies, existing shareholders and/or its close associates may participate in the initial public offering ("**IPO**") of a Specialist Technology Company provided that the applicant complies with Rules 8.08(1)/19A.13A, 18C.08 and 8.08A/19A.13C. An existing shareholder holding 10% or more of the shares in the Specialist Technology Company prior to IPO must subscribe for shares in the IPO as a cornerstone investor; and an existing shareholder holding less than 10% of the shares in the Specialist Technology Company prior to IPO may subscribe for shares in the IPO as either a cornerstone investor or a placee. In the case of subscription as a placee, the applicant and its sponsors must confirm that no preference in allocation was given to the existing shareholder; and in the case of subscription as a cornerstone investor, the applicant and its sponsors must confirm that no preference was given to the existing shareholder other than the preferential treatment of assured entitlement at the IPO price and the terms are substantially the same as other cornerstone investors.

As further described in the section headed "Cornerstone Investors" in this Prospectus, Richfirm (Hong Kong) Development Limited (全順(香港)發展有限公司) ("**Richfirm**") has entered into a cornerstone investment agreement as a cornerstone investor ("**Cornerstone Investor**") with the Company, the Joint Sponsors, and the Overall Coordinators to subscribe for the Offer Shares. Richfirm is wholly owned by Yuet Tak Trading Company Limited (粵德貿易有限公司), which in turn is held as to 50% by Foshan Shunde District Shunhui Information Consulting Co., Ltd. (佛山市順德區順匯信息諮詢有限公司) ("**Shunhui Information**") and 50% by Foshan Shunde District Changde Real Estate Development Co., Ltd. (佛山市順德區長德置業發展有限公司) ("**Changde Real Estate**"). Shunhui Information is ultimately owned by the State-owned Assets Supervision and Administration Commission of Shunde District, Foshan City (佛山市順德區國有資產監督管理局) ("**Shunde SASAC**"), and Changde Real Estate is ultimately owned as to 91.08% and 8.92% by Shunde SASAC and the Department of Finance of Guangdong Province (廣東省財政廳), respectively.

The Company has several state-owned existing Shareholders. Yuecai Investors, i.e., Guangdong Yuecai and Chuangying Jianke are ultimately controlled by Guangdong Provincial People's Government (廣東省人民政府). SIHC Investors, i.e., Toposcend, Zhongxiaodan and Shenzhen Talent are ultimately controlled by State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會) ("**Shenzhen SASAC**"). Please refer to "History, Development and Corporate Structure — Information regarding Our Pre-IPO Investors" for further information. Yuecai Investors and SIHC collectively hold approximately 4.25% of the shareholdings of the Company as of the Latest Practicable Date and immediately prior to the completion of the Global Offering.

As Richfirm is ultimately controlled by Shunde SASAC, Yuecai Investors and SIHC Investors are ultimately controlled by Guangdong Provincial People's Government (廣東省人民政府) and Shenzhen SASAC, respectively, Richfirm is a close associate of the Company's existing shareholders Yuecai Investors and SIHC Investors.

We have applied for a waiver from strict compliance with Rule 10.04 of the Listing Rules and a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules, to permit Richfirm to participate as Cornerstone Investor in the Global Offering to subscribe for the Offer Shares to be issued by the Company under the International Offering. The Stock Exchange has agreed to grant the requested waiver and consent subject to the conditions that:

(a) the Company will comply with the public float requirements of Rules 19A.13A and 18C.08 of the Listing Rules and the free float requirements of Rule 19A.13C of the Listing Rules;

(b) the Company and the Joint Sponsors confirm that no preferential treatment has been, nor will be directly or indirectly, given to Richfirm as a cornerstone investor by virtue of its relationship with the Company in any allocation in the Global Offering, other than the preferential treatment of assured entitlement under the cornerstone investment at the Offer Price and the terms are substantially the same as other cornerstone investors; and

(c) details of the subscription of the Offer Shares by Richfirm as Cornerstone Investor under the Global Offering are disclosed in this Prospectus, and details of the allocation will be disclosed in the allotment results announcement of our Company. For further information about the relevant cornerstone investments, please refer to the section headed "Cornerstone Investors" in this Prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

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

CSRC APPROVAL

On February 14, 2026, the CSRC has issued a notification on our Company's completion of the PRC filing procedures for the listing of our H Shares on the Stock Exchange and the Global Offering. As advised by our PRC Legal Advisor, our Company has completed all necessary filings with the CSRC in the PRC in relation to the Global Offering and the Listing.

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This Prospectus is published solely in connection with the Hong Kong Public Offering. For applications under the Hong Kong Public Offering, this Prospectus contains the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of 4,039,400 H Shares initially offered and the International Offering of 76,745,600 H Shares initially offered (subject, in each case, to reallocation on the basis under the section headed "Structure of the Global Offering" in this Prospectus) and, in case of the International Offering, to any exercise of the Offer Size Adjustment Option or the Over-allotment Option.

The Listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or about Thursday, March 26, 2026, subject to agreement on the Offer Price. Further details of the Underwriters and the underwriting arrangements are set out in the section headed "Underwriting" in this Prospectus.

The Offer Shares are offered solely on the basis of the information contained and representations made in this Prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by the Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Capital Market Intermediaries, the Underwriters, any of our or their affiliates or any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this Prospectus nor any subscription or acquisition made in connection with it should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this Prospectus or imply that the information contained in this Prospectus is correct as of any date subsequent to the date of this Prospectus.

Details of the structure of the Global Offering (including its conditions) and the arrangements relating to the Offer Size Adjustment Option and the Over-allotment Option and stabilization, are set out in the section headed "Structure of the Global Offering" and "Underwriting" in this Prospectus, and the procedures for applying for the Hong Kong Offer Shares are set out in "How to Apply for the Hong Kong Offer Shares" of this Prospectus.

RESTRICTIONS ON OFFER AND SALES OF H SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of the Hong Kong Offer Shares to, confirm that he is aware of the restrictions on offers and sales of the Hong Kong Offer Shares as described in this Prospectus.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong, or the distribution of this Prospectus in any jurisdiction other than Hong Kong. Accordingly, this Prospectus may not be used for the purposes of, and does not constitute, an offer or invitation for subscription in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been publicly offered, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) and the H Shares to be converted from Domestic Unlisted Shares, on the basis that, among other things, we satisfy the requirements under Rule 18C.03 of the Listing Rules as a Commercial Company (as defined in the Listing Rules) with reference to our expected market capitalization at the time of Listing, which based on the Offer Price, exceeds HK$4 billion. Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Monday, March 30, 2026. Except as otherwise disclosed in this Prospectus, no part of our H Shares or Domestic Unlisted Shares is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought in the near future.

The H Shares will be traded in board lot of 200 H Shares. The stock code of the H Shares is 01021.

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

COMPLIANCE WITH THE LISTING RULES

We will comply with applicable laws and regulations in Hong Kong (including the Listing Rules) and any other undertakings which have been given in favor of the Hong Kong Stock Exchange from time to time. If the Listing Committee finds that there has been a breach by us of the Listing Rules or such other undertakings which may have been given in favor of the Hong Kong Stock Exchange from time to time, the Listing Committee may instigate cancellation or disciplinary proceedings in accordance with the Listing Rules.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, our H Shares on the Hong Kong Stock Exchange and our compliance with the stock admission requirements of HKSCC, our H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our H Shares on the Hong Kong Stock Exchange or any other date as HKSCC chooses. Settlement of any transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisers for details of the settlement arrangements as such arrangements may affect their rights and interests. All necessary arrangements have been made for our H Shares to be admitted into CCASS.

H SHARE REGISTER OF MEMBERS AND HONG KONG STAMP DUTY

All of the H Shares issued pursuant to applications made in the Hong Kong Public Offering will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Tricor Investor Services Limited. Our principal register of members will be maintained by us at our head office in the PRC.

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

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

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

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed the H Share Registrar, and the H Share Registrar has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holders unless the holder delivers a signed form to the H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

(a) agrees with us and each of the Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law and our Articles of Association;

(b) agrees with us, each of our Shareholders, Directors, managers and officers, and we, acting for ourselves and for each of our Directors, managers and officers agree with each Shareholder, to refer all differences and claims arising from our Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning our affairs to arbitration, and where applicable, in accordance with our Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which shall be final and conclusive;

(c) agrees with us and each of our Shareholders that our H Shares are freely transferable by the holders of our H Shares; and

(d) authorizes us to enter into a contract on his or her behalf with each of our Directors, managers and officers whereby such Directors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association.

PROFESSIONAL TAX ADVICE RECOMMENDED

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

OFFER SIZE ADJUSTMENT OPTION, OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Offer Size Adjustment Option, the Over-allotment Option and stabilization are set out in the section headed "Underwriting" and "Structure of the Global Offering" in this Prospectus.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

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

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering" in this Prospectus.

LANGUAGE

If there is any inconsistency between this Prospectus and the Chinese translation of this Prospectus, the English version of this Prospectus shall prevail. However, the translated English names of PRC nationals, entities, departments, facilities, certificates, titles, laws, regulations (including the Company's subsidiaries) and the like included in this Prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency, the Chinese name prevails.

EXCHANGE RATE CONVERSION

Solely for your convenience, this Prospectus contains translations among certain Renminbi amounts into Hong Kong dollars and of Renminbi amounts into U.S. dollars at specified rates. Unless indicated otherwise, the translation of (i) Renminbi into Hong Kong dollars, (ii) Renminbi into U.S. dollars, and (iii) Hong Kong dollars to U.S. dollars, and vice versa, in this Prospectus was made at the following rates:

- US$1.00 to HK$7.8214;
- US$1.00 to RMB6.8982; and
- HK$1.00 to RMB0.8820.

No representation is made that any amounts in Renminbi, Hong Kong dollars or U.S. dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

ROUNDING

Certain amounts and percentage figures, such as share ownership and operating data, included in this Prospectus may have been subject to rounding adjustments, or have been rounded to one or two decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Wang Guangneng (王光能)	12A, Building 3 Keyuan Xueli No. 4 Qingwu Road Nanshan District Shenzhen Guangdong Province PRC	Chinese
Mr. Zhang Guoping (張國平)	6C, Unit 2, Building 27 Sunshine Palm Garden Qianhai Road Nanshan Street Nanshan District Shenzhen Guangdong Province PRC	Chinese
Mr. Zhang Yingtao (張應濤)	604, Building 11 Yukang Garden Xuefu Road Nanshan Street Nanshan District Shenzhen Guangdong Province PRC	Chinese
Non-Executive Director		
Dr. Fang Bin (房斌)	618, Building 1 Jiahuiyuan, Hua'ao Center No. 31 Zizhuyuan Road Haidian District Beijing PRC	Chinese
Independent non-executive Directors		
Dr. Wang Yihua (王義華)	19E, Unit 2, Building 6 Shuixie Spring Garden Daling Community Minzhi Street Longhua District Shenzhen Guangdong Province PRC	Chinese

Name	Address	Nationality
Dr. Huang Kai (黃凱)	Room 502, No. 670 Puyuan Area Sun Yat-sen University Xingang West Road Haizhu District Guangzhou Guangdong Province PRC	Chinese
Ms. Gao Li (高麗)	Room F, 26th Floor, Block 2A The SouthLand 11 Heung Yip Road Wong Chuk Hang Hong Kong	Chinese (Hong Kong)

For more information on our Directors, see "Directors and Senior Management" of this Prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

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

Deutsche Securities Asia Limited
60/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Sponsor-Overall Coordinators

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

Deutsche Bank AG, Hong Kong Branch
60/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Overall Coordinators

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

	Deutsche Bank AG, Hong Kong Branch 60/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Joint Global Coordinators, Joint Lead Managers, Joint Bookrunners and Capital Market Intermediaries	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central, Hong Kong **Deutsche Bank AG, Hong Kong Branch** 60/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Joint Bookrunners, Joint Lead Managers	**Futu Securities International (Hong Kong) Limited** 34/F, United Centre No. 95 Queensway Admiralty Hong Kong **Zheshang International Financial Holdings Co., Limited** 1703-1706, 17/F, Infinitus Plaza 199 Des Voeux Road Central Sheung Wan Hong Kong
Reporting Accountants and Independent Auditor	**Ernst & Young** *Certified Public Accountants and* *Registered Public Interest Entity Auditors* *under the Accounting and* *Financial Reporting Council Ordinance* *27/F, One Taikoo Place* *979 King's Road, Quarry Bay* *Hong Kong*
Legal Advisors to our Company	*As to Hong Kong and U.S. laws:* **Clifford Chance** 27/F, Jardine House One Connaught Place Central Hong Kong *As to PRC law:* **King & Wood Mallesons** 28/F, China Resources Tower 2666 Keyuan South Road, Nanshan District Shenzhen, Guangdong 518052 PRC

As to US export control and OIR law:
Ashurst
Shiroyama Trust Tower
30th Floor, 4-3-1 Toranomon
Minato-ku, Tokyo 105-6030,
Japan

Legal Advisors to the Joint Sponsors and the Underwriters

As to Hong Kong and U.S. laws:
Latham & Watkins LLP
18th Floor, One Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:
Commerce & Finance Law Offices
12-15th Floor, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing
PRC

Industry Consultant

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

Compliance Adviser

Gram Capital Limited
Room 1209
12/F, Nan Fung Tower
88 Connaught Road Central
173 Des Voeux Road Central
Central
Hong Kong

Receiving Bank

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

Head Office and Principal Place of Business in the PRC	Room 1101, Building 9 Haichuang Dazu Robot Intelligent Manufacturing Center No. 3, Erzhi Industrial Avenue Xihai Village, Beijiao Town Shunde District, Foshan City Guangdong, PRC
Principal Place of Business in Hong Kong	Room 1919, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	www.huayan-robotics.com *(Information on this website does not form part of this Prospectus)*
Joint Company Secretaries	Mr. Zhang Yingtao (張應濤) Room 1101, Building 9 Haichuang Dazu Robot Intelligent Manufacturing Center No. 3, Erzhi Industrial Avenue Xihai Village, Beijiao Town Shunde District, Foshan City Guangdong, PRC Ms. Chan Pui Ching (陳佩貞) *(an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* Room 1919, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. Zhang Yingtao (張應濤) Room 1101, Building 9 Haichuang Dazu Robot Intelligent Manufacturing Center No. 3, Erzhi Industrial Avenue Xihai Village, Beijiao Town Shunde District, Foshan City Guangdong, PRC Ms. Chan Pui Ching (陳佩貞) Room 1919, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

Audit Committee	Dr. Wang Yihua *(Chairperson)* Ms. Gao Li Mr. Huang Kai
Remuneration Committee	Dr. Wang Yihua *(Chairperson)* Mr. Wang Guangneng Ms. Gao Li
Nomination Committee	Dr. Wang Yihua *(Chairperson)* Mr. Wang Guangneng Ms. Gao Li
H Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Bank(s)	**Industrial and Commercial Bank of China** **Shenzhen Hi-Tech Park Central Branch** Southeast Corner, 1-2/F Han's Technology Center No. 9988 Shennan Avenue Nanshan District, Shenzhen Guangdong Province, PRC **China Merchants Bank** **Shenzhen Branch, Shajing Sub-branch** G/F, Xinghe Building No. 100 Shajing Central Road Bao'an District, Shenzhen Guangdong Province, PRC

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

SOURCES OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on global and China's cobot industry for the use in this Prospectus, which was commissioned by us for a fee of RMB420,000. In compiling and preparing the F&S Report, Frost & Sullivan adopted the following assumptions: (i) the social, economic and political conditions globally currently discussed will remain stable during the forecast period, (ii) global and China's government policies on cobot industry will remain consistent during the forecast period, (iii) global and China's on cobot industry will be driven by the factors which are stated in the report in the forecast period. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the F&S Report. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

ANALYSIS OF ROBOT MARKET

Definition and Classification of Robot

Robots represent intelligent machine systems designed for autonomous or semi-autonomous task execution, typically incorporating environmental perception, information processing and decision-making capabilities. Based on application domains and functional characteristics, robots can be classified into (i) ***collaborative robots ("cobots")***, which are designed for safe human-robot collaboration in shared workspaces and are commonly used in precision machining, welding, handling and palletizing and inspection; (ii) ***traditional industrial robots***, which are fully automated systems deployed in isolated environments for high-precision and high-throughput manufacturing; (iii) ***service robots***, which are non-industrial robots applied in service-oriented scenarios such as logistics, healthcare and retail; and (iv) ***other robots***, which are designed for extreme or mission-critical applications including aerospace, nuclear inspection and deep-sea exploration.

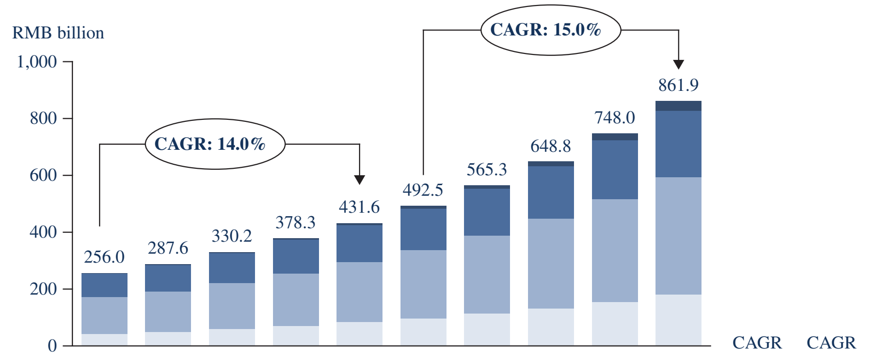
Core Advantages of Cobot

Cobots offer the following key advantages: (i) ***Cost Efficiency***: compact designs, simplified bill of materials structures and modular architectures reduce upfront investment, installation requirements and redeployment costs; (ii) ***Adaptability and Flexibility***: lightweight construction, modular end effectors and drag and teach programming enable rapid redeployment across multiple application scenarios; (iii) ***Safety***: built in force and torque sensing and collision detection support safe human robot collaboration without extensive physical barriers; (iv) ***Ease of Operation***: intuitive graphical interfaces and low code programming reduce setup time and reliance on specialized engineering resources; and (v) ***AI Enablement***: integration of AI capabilities supports perception driven tasks and real time adaptation in dynamic operating environments.

Market Size of Global and China's Robot Market

The global robot industry has experienced a technological leap from industrial automation to intelligent connected systems. Traditional industrial robots are mainly used in structured production scenarios such as automobile manufacturing and electronic products. With the breakthrough of cobots, service robots and AI technology, the application field has rapidly expanded from industrial manufacturing to multiple scenarios such as medical health, logistics and transportation and commercial services. The global robot market size has grown from RMB256.0 billion in 2020 to RMB431.6 billion in 2024 at a CAGR of 14.0%. In the forecast period, the increasing level of industrial automation, the aging population and labor shortage will continue to stimulate the demand for automation, while the technological integration of 5G, edge computing and artificial intelligence will further promote the development of emerging industries such as flexible manufacturing and personalized services. It is expected that from 2025 to 2029, the global robot market will continue to expand at a CAGR of 15.0%, reaching RMB861.9 billion in 2029. The proportion of the global cobot market size in the overall robot market size increased from 1.0% in 2020 to 1.7% in 2024, and is expected to increase to 4.1% in 2029.

Market Size of Global Robot Market (by revenue), 2020-2029E

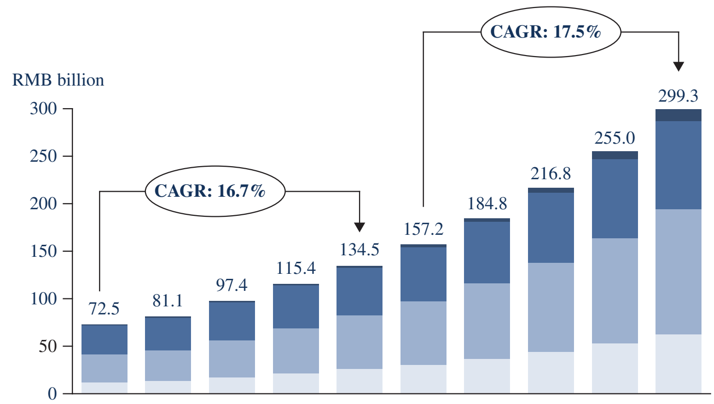


	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	CAGR 20-24	CAGR 25E-29E
Cobot	2.5	3.7	4.7	5.8	7.5	9.8	13.1	18.0	25.0	35.0	32.0%	37.4%
Traditional Industrial Robot	82.6	93.3	105.6	117.9	129.2	145.7	164.1	184.6	207.8	233.3	11.8%	12.5%
Service Robot	129.9	142.2	161.9	185.0	212.1	241.5	275.6	315.1	360.8	413.9	13.0%	14.4%
Other Robots	41.0	48.3	58.1	69.6	82.9	95.5	112.5	131.1	154.5	179.7	19.3%	17.1%

Source: Frost & Sullivan

In China's market, policy support, accelerated localization of the industrial chain, and the vigorous development of strategic industries such as new energy and semiconductors have become growth engines for the robot market. In 2024, China's robot market size reached RMB134.5 billion, accounting for 31.2% of the global market. Looking forward, China's robot market is expected to gradually realize the key transformation from scale expansion to quality improvement, and its position in the global value chain will continue to improve. China's robot market size is expected to grow from RMB157.2 billion in 2025 to RMB299.3 billion in 2029 at with a CAGR of 17.5%, occupying 34.7% of the global market. The proportion of China's cobot market size in the overall robot market size increased from 0.8% in 2020 to 1.6% in 2024, and is expected to increase to 4.1% in 2029.

Market Size of China's Robot Market (by revenue), 2020-2029E



	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	CAGR 20-24	CAGR 25E-29E
Cobot	0.6	1.1	1.4	1.6	2.2	2.9	4.0	5.7	8.4	12.4	38.8%	43.5%
Traditional Industrial Robot	30.6	34.7	40.0	45.4	50.0	56.9	64.7	73.4	82.8	93.0	13.1%	13.1%
Service Robot	29.7	31.7	38.9	47.2	56.5	66.9	79.3	93.9	111.1	131.5	17.4%	18.4%
Other Robots	11.6	13.6	17.1	21.2	25.8	30.5	36.8	43.8	52.7	62.4	22.1%	19.5%

Source: Frost & Sullivan

ANALYSIS OF COBOT INDUSTRY

Definition and Classification of Cobots

Cobots are intelligent robotic systems designed with six or more axes, intended to operate alongside humans within a shared workspace, in close proximity, and through coordinated tasks. Its primary purpose is to assist humans in completing repetitive tasks across both industrial and non-industrial scenarios. In terms of payload capacity, cobots are divided into light-duty cobots and heavy-duty cobots. Light-duty cobots refer to robots with a load of about 3-20 kg, and heavy-duty cobots refer to robots with a load of about 20-50 kg.

Value Chain of Cobot Industry

Major upstream participants include core component suppliers, while midstream cobot companies focus on R&D and manufacturing. Downstream system integrators develop secondary applications and integrate equipment to provide customized workstations and production lines. As cobot adoption expands, standardized equipment manufacturers and system integrators have become key downstream players by offering scenario-based solutions. System integrators are also shifting toward standardized equipment to improve delivery efficiency, reduce costs, and enhance scalability.

Applications of Cobot Market

Cobots are applied across a wide range of industries, including (i) metal and machining, such as metal processing and mechanical manufacturing; (ii) automotive and components, covering automotive manufacturing, components production, manufacturing and testing and lithium battery production; (iii) consumer electronics, including component assembly and finished product assembly, inspection and packaging; (iv) fast moving consumer goods ("**FMCG**"), such as food and beverage and daily chemical packaging, portioning and inspection; (v) healthcare, including surgical assistance, laboratory automation, rehabilitation therapy and drug development and testing; and (vi) semiconductor, including wafer handling, inspection and chip testing, sorting and packaging.

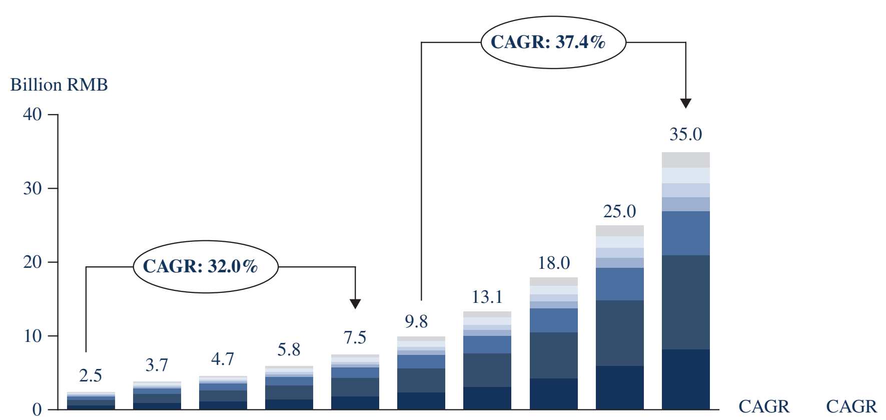
Market Size of Global Cobot Market

The global cobot market grew from RMB2.5 billion in 2020 to RMB7.5 billion in 2024 at a CAGR of 32.0%, and is projected to achieve year-over-year growth rate of 30.2% in 2025. Driven by accelerated adoption of AI-integrated cobots, breakthroughs in cost-effective modular designs, and surging demand from enterprises seeking flexible automation solutions amid labor shortages and supply chain resilience pressures, the market is projected to maintain strong momentum, reaching RMB35.0 billion by 2029 with a CAGR of 37.4% from 2025 onward.

European cobot market witnessed a steady growth, rising from RMB1.1 billion in 2020 to RMB2.9 billion in 2024 with a CAGR of 26.2%, driven by strong industrial automation foundation and robust manufacturing demand. The region is expected to reach RMB9.4 billion by 2029 with a CAGR of 26.5% from 2025, reflecting the emphasis on work environment safety and human-robot collaboration in Europe.

The US cobot market emerged as a rapid growth segment, driven by advanced technology and strong R&D capability. The market size grew from RMB0.3 billion in 2020 to RMB0.9 billion in 2024 with a CAGR of 28.5%. By 2029, the sector is projected to reach RMB2.9 billion with a CAGR of 30.7% from 2025, reflecting the demand for manufacturing upgrade and the pursuit of enhanced production efficiency and flexibility in the US.

Market Size of Global Cobot Market (revenue breakdown by industry), 2020-2029E



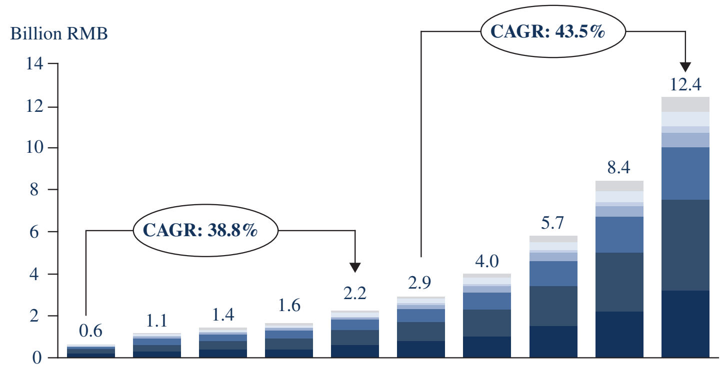
	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	CAGR 20-24	CAGR 25E-29E
Metal and Machining	0.6	0.9	1.1	1.4	1.8	2.3	3.1	4.2	5.9	8.2	30.7%	37.4%
Automotive & Components	0.7	1.2	1.5	1.9	2.5	3.3	4.5	6.3	8.9	12.7	36.0%	39.5%
Consumer Electronics	0.5	0.8	0.9	1.1	1.4	1.8	2.4	3.2	4.4	6.0	29.1%	35.0%
FMCG	0.2	0.2	0.3	0.4	0.4	0.6	0.8	1.0	1.4	1.9	27.7%	35.5%
Healthcare	0.1	0.2	0.2	0.3	0.4	0.5	0.7	0.9	1.3	1.9	32.8%	40.8%
Semiconductor	0.2	0.3	0.4	0.5	0.6	0.8	1.0	1.2	1.6	2.1	28.6%	30.1%
Others	0.1	0.2	0.2	0.3	0.4	0.6	0.8	1.0	1.5	2.2	34.5%	40.2%

Source: Frost & Sullivan, Marketing Intelligence Resource (MIR)

Market Size of China's Cobot Market

China's cobot market exhibited high growth, expanding from RMB0.6 billion in 2020 to RMB2.2 billion in 2024, achieving a CAGR of 38.8% during this period. As downstream application scenarios and market demand continue to expand, the market is projected to accelerate further, reaching RMB12.4 billion by 2029 with a CAGR of 43.5% from RMB2.9 billion in 2025.

Market Size of China's Cobot Market (revenue breakdown by industry), 2020-2029E



	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	CAGR 20-24	CAGR 25E-29E
Metal and Machining	0.2	0.3	0.4	0.4	0.6	0.8	1.0	1.5	2.2	3.2	37.2%	43.5%
Automotive & Components	0.2	0.3	0.4	0.5	0.7	0.9	1.3	1.9	2.8	4.3	43.2%	45.9%
Consumer Electronics	0.1	0.3	0.3	0.4	0.5	0.6	0.8	1.2	1.7	2.5	35.8%	41.3%
FMCG	0.04	0.1	0.1	0.1	0.1	0.2	0.3	0.4	0.5	0.7	34.2%	41.7%
Healthcare	0.01	0.02	0.02	0.03	0.04	0.1	0.1	0.1	0.2	0.3	41.6%	55.1%
Semiconductor	0.05	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.5	0.7	37.1%	32.9%
Others	0.02	0.05	0.1	0.1	0.1	0.1	0.2	0.3	0.5	0.7	44.7%	47.5%

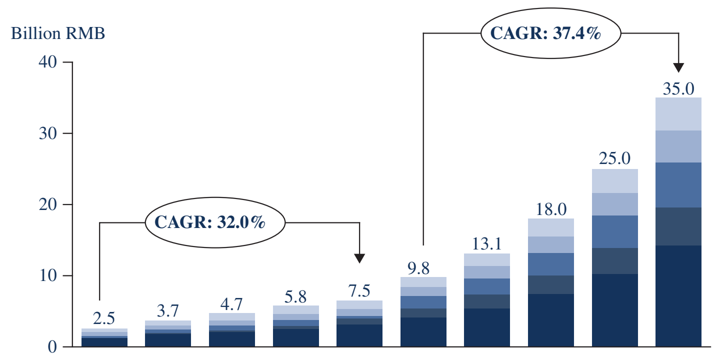
Source: Frost & Sullivan, MIR

Application Scenarios of Cobot Market

Cobots are applied across multiple application scenarios, including (i) ***precision machining***, covering loading and unloading, assembly, polishing, grinding, dispensing and gluing operations; (ii) ***welding***, such as spot welding, arc welding and laser welding; (iii) ***handling and palletizing***, including material handling and palletizing and depalletizing operations; (iv) ***screw fastening***, primarily used in mass production scenarios such as electronic products and home appliances; and (v) ***other applications***, including testing, packaging, cleaning and selected service related scenarios. Cobot applications encompass scenarios such as precision machining, welding, handling & palletizing and screws fastening. In 2024, precision machining, accounted for over 40% of all cobot applications. Meanwhile, the adoption of medium-to-heavy payload cobots has notably increased, primarily deployed in handling, loading and unloading and palletizing/depalletizing applications, while welding applications continue to expand. With ongoing technological advancement and AI integration, cobots are expected to support heavier payloads and more complex process requirements.

Global cobot market demonstrated steady growth, with the market size expanding from RMB2.5 billion in 2020 to RMB7.5 billion in 2024 with a CAGR of 32.0%, and is expected to grow to RMB35.0 billion by 2029 with a CAGR of 37.4% from 2025 to 2029. Specifically, the global heavy-duty cobots market increased from RMB0.3 billion in 2020 to RMB1.5 billion in 2024 at a CAGR of 47.0%, driven by the demand for automation and intelligent manufacturing upgrades. By 2029, the sector is projected to reach RMB13.3 billion with a CAGR of 54.8% from 2025 to 2029. The global light-duty cobots market grew from RMB2.2 billion in 2020 to RMB6.0 billion in 2024 at a CAGR of 29.2%. It is expected that the light-duty cobot market will increase to RMB21.7 billion by 2029 at a CAGR of 30.4% from 2025 to 2029, driven by the expansion of applications in the healthcare and light industry sectors.

Market Size of Global Cobot Market (revenue breakdown by scenario), 2020-2029E

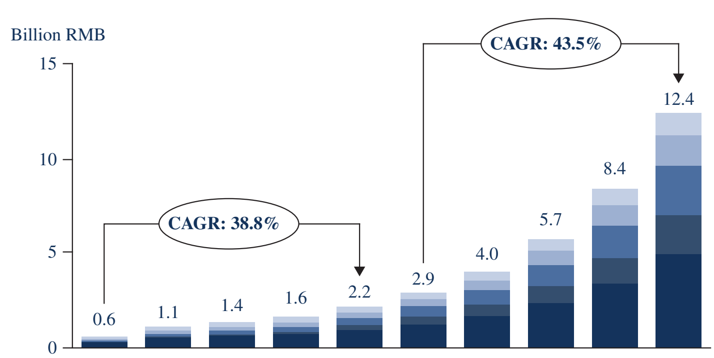


	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	CAGR 20-24	CAGR 25E-29E
Precision Machining	1.2	1.8	2.1	2.5	3.1	4.1	5.4	7.4	10.2	14.2	26.4%	36.8%
Welding	0.03	0.1	0.2	0.4	0.9	1.3	1.9	2.6	3.7	5.4	132.6%	41.6%
Handling & Palletizing	0.3	0.5	0.7	0.9	1.3	1.7	2.3	3.2	4.5	6.3	48.0%	38.6%
Screw Fastening	0.5	0.6	0.7	0.8	1.0	1.3	1.7	2.3	3.2	4.5	22.0%	36.3%
Others	0.5	0.7	1.0	1.2	1.2	1.4	1.8	2.5	3.4	4.6	25.1%	34.6%

Source: Frost & Sullivan

China's cobot market increased from RMB0.6 billion in 2020 to RMB2.2 billion in 2024 with a CAGR of 38.8%. The market is expected to reach RMB12.4 billion by 2029 with a CAGR of 43.5% from 2025 to 2029. China's heavy-duty cobot market surged from RMB0.1 billion in 2020 to RMB0.5 billion in 2024 at a CAGR of 53.6% propelled by rising demand of large load handling, palletizing and long distance operations. The heavy-duty segment is expected to grow further to RMB5.0 billion by 2029 with a CAGR of 59.8% from 2025 to 2029. The light-duty cobot rose from RMB0.5 billion in 2020 to RMB1.7 billion in 2024 at a CAGR of 35.6%. This segment is anticipated to maintain its upward trajectory expanding to RMB7.4 billion by 2029 with a CAGR of 36.2% from 2025 to 2029.

Market Size of China's Cobot Market (revenue breakdown by scenario), 2020-2029E



	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	CAGR 20-24	CAGR 25E-29E
Precision Machining	0.3	0.6	0.6	0.7	0.9	1.2	1.7	2.4	3.4	5.0	32.6%	41.8%
Welding	0.01	0.03	0.1	0.1	0.3	0.4	0.6	0.9	1.4	2.1	121.1%	47.7%
Handling & Palletizing	0.1	0.2	0.2	0.3	0.4	0.5	0.8	1.1	1.7	2.6	55.3%	48.3%
Screw Fastening	0.1	0.2	0.2	0.2	0.3	0.4	0.5	0.7	1.1	1.6	27.3%	44.8%
Others	0.1	0.2	0.3	0.3	0.3	0.4	0.5	0.7	0.9	1.2	32.3%	34.0%

Source: Frost & Sullivan

Market Drivers and Development Trends of Cobot Market

- ***Aging Population and Rising Labor Costs.*** Demographic shifts and escalating workforce expenses are fundamentally reshaping industrial automation strategies. Aging populations in major manufacturing economies, coupled with declining birth rates, are creating chronic labor shortages across sectors requiring precision or repetitive tasks. Simultaneously, regional wage inflation is compressing profit margins for labor-intensive industries. These pressures drive enterprises toward cobots as cost-effective alternatives combining human-like dexterity with operational consistency. Collaborative systems require minimal safety retrofitting and enable seamless human-robot teamwork, and their adaptive programming frameworks also address fluctuating production demands in supply chains.

- ***Technological Advancements.*** The evolution of cobots is driven by advances in electromechanical engineering and digital integration. High-precision motor drives, sensors, and vision systems enable force-sensitive motion, accurate perception, and efficient human-machine collaboration. Enhanced safety features ensure reliable operation while maintaining adaptive responsiveness.

- ***Integration of AI.*** AI advancements are transforming cobots into context-aware collaborators capable of learning and adaptation. Machine learning algorithms process real-time visual, tactile, and spatial data to dynamically optimize path planning, adjusting trajectories mid-task to accommodate shifting workpieces or human movements. Natural Language Processing enables intuitive voice-command reprogramming, democratizing robot deployment for non-experts. Edge AI further enhances responsiveness by localizing decision-making in latency-sensitive tasks like electronics assembly.

- ***Cost Reduction.*** Plummeting deployment costs are driving cobot adoption across industries. Modular designs and standardized interfaces cut initial investment significantly. Meanwhile, mass production of collaborative grippers and vision kits has decreased peripheral costs. With shorter payback periods, cobots offer accessible productivity gains. Lean maintenance requirements and energy-efficient operation further enhance cost-effectiveness, particularly in high-mix production environments.

- ***Increasing Demand from Emerging Applications.*** Emerging applications such as microelectronics assembly, medical operations in sterile environments, and advanced materials processing increasingly rely on cobots to address precision and contamination-sensitive requirements. Cobots support high-mix, customized production by seamlessly shifting between delicate manual-style tasks and programmable automation, aligning with the agile workflows of innovation-driven industries.

- ***Increasing Penetration Rate of Cobots in Industrial Robots.*** With the continuous innovation and integration of technologies such as artificial intelligence algorithms, force control sensors, and frameless motors, the intelligence level, accuracy and flexibility of cobots have been significantly improved, making them able to adapt to more complex production tasks compared with traditional industrial robots. In addition, the continuous improvement in cobots in terms of load and arm span enable them to handle heavier materials and a wider range of operations, continuously expanding the application scope of cobots in industrial scenarios. In certain scenarios and fields, cobots have gradually replaced traditional industrial robots. Therefore, cobots are accelerating their penetration into the industrial robot market, and the proportion of the global cobot market size in the industrial robot market size has increased from 2.9% in 2020 to 5.5% in 2024, and is expected to exceed 13.0% in 2029.

- ***Synergistic Development of Cobots and Humanoid Robots.*** The future will witness deep industrial synergy between cobots and humanoid robots, with both categories achieving technological convergence in core components including harmonic drives, torque, sensors and servo systems. The modular design expertise from cobots has significantly reduced BOM costs for humanoid platforms. The global humanoid robot components market is experiencing rapid expansion, reaching RMB3.5 billion in 2024. Fueled by AI algorithm optimization, mature electric drive technologies, and supportive policies, downstream demand is surging across industrial automation, domestic services, and healthcare sectors. Market projections indicate the components sector will grow to RMB36.0 billion by 2029 at a 59.5% CAGR, while complete humanoid robot systems are expected to reach RMB50.3 billion, demonstrating robust growth potential. In addition, cobots and humanoid robots share a high degree of commonality in software architecture and AI algorithm models. By leveraging a unified motion control platform, perception systems, and data training infrastructure, they significantly improve product development efficiency and intelligence. Meanwhile, core components such as servo drive systems and torque motors continue to achieve breakthroughs in control precision and energy efficiency, driving overall performance optimization. Cobot components are also widely used in the development of humanoid robot joint and arm modules, enabling coordinated advancement between components and complete systems. The underlying technologies are largely compatible between collaborative and humanoid robots, although components such as motors and servos for humanoids are typically more miniaturized to meet specific design constraints.

- ***Supportive Policies.*** Governments are actively shaping the cobots landscape through strategic fiscal and regulatory interventions. In China, policies such as the "Robot+Application Action Plan", "Implementation Opinions on Promoting Innovation and Development of Future Industries" and "14th Five-Year Plan for Robotics Industry Development" emphasize cross-industry collaboration, R&D subsidies, and standardization of robotic interfaces to foster innovation in critical components like precision actuators and adaptive control systems. Globally, similar strategic initiatives are gaining momentum. Germany's 2023 Robotics Research Action Plan specifically targets AI-enhanced cobots to bridge academic research and industrial deployment. By aligning innovation incentives with regional industrial priorities, public policies are fostering cost-optimized robotic solutions that cater to localized market demands while maintaining global competitiveness.

Market Size of Global and China's Robot Components Market

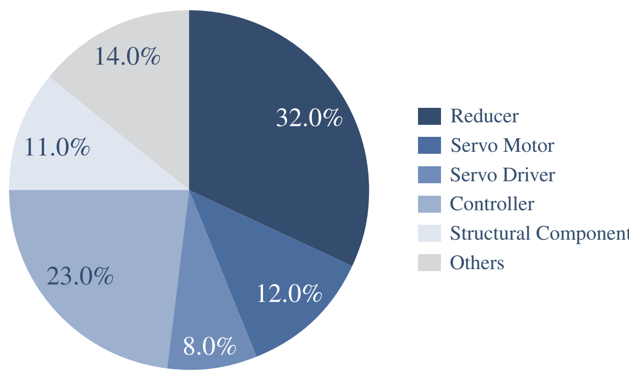
The global robot components market grew from RMB128.0 billion in 2020 to RMB259.0 billion in 2024, driven by the development of manufacturing automation and the initial commercialization of humanoid robots. During the forecast period, the market size of global robot components is expected to expand at a 19.5% CAGR, reaching RMB629.2 billion by 2029. This growth will be fueled by surging demand for precision sensors in humanoid robots, while China's manufacturers are expected to rapidly increase their global market share.

China's robot components market expanded from RMB40.6 billion to RMB83.4 billion between 2020 and 2024, achieving a 19.7% CAGR. Supported by policy incentives and booming demand for humanoid robot-specific components, the market size of China's robot components is forecast to grow to RMB230.5 billion by 2029. In November 2023, the Ministry of Industry and Information Technology issued the "Guiding Opinions on the Innovative Development of Humanoid Robots," outlining the goal of initially establishing an innovation system for humanoid robots by 2025. The policy encourages progress in key technologies such as the "brain, cerebellum, and limbs," and aims to support the secure and reliable supply of core components. Independently offering core motion components for external sales can enhance a cobot manufacturer's competitiveness by strengthening control over key technologies and supply chain stability.

Cost Analysis of Robot Market

The average selling price of reducer in China was RMB2.5 thousand in 2020 and decreased to RMB2.1 thousand in 2024. It is expected to further decline to RMB1.9 thousand by 2029. The average selling price of servo system in China was RMB0.9 thousand in 2020 and decreased to RMB0.8 thousand in 2024. It is expected to further decline to RMB0.7 thousand by 2029. The average selling price of controller in China was RMB7.6 thousand in 2020 and decreased to RMB6.1 thousand in 2024. It is expected to further decline to RMB5.0 thousand by 2029.

Cost Analysis of China's Robot Components, 2024



Source: Frost & Sullivan

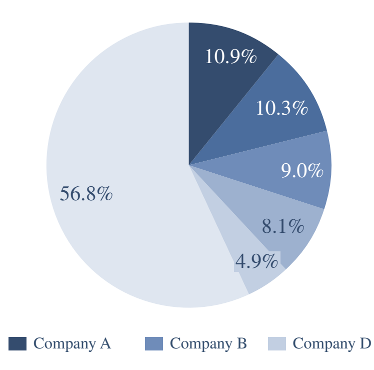
Cobot pricing is influenced by various factors, including degrees of freedom, payload capacity, brand positioning, and application scenarios. Generally, cobots with more degrees of freedom and higher payloads command higher prices due to increased component and system complexity. The average price of cobots with six or more axes ranges from RMB20 thousand to RMB200 thousand. For integrated cobots, pricing depends on the complexity of system integration, level of customization, and specific application requirements. Given the variability in project needs, there is no uniform pricing range or fixed standard for integrated cobots.

COMPETITIVE ANALYSIS OF COBOT INDUSTRY

Rankings of Cobot Companies

With the revenue of RMB265.2 million, we are the second largest Chinese cobot company with a market share of 10.3% in the global market in terms of revenue in 2024.

TOP 5 Chinese Cobot Companies (by revenue)[1], Global, 2024



Rank	Company	Revenue (Million RMB)	Market Share
1	Company A[2]	278.8	10.9%
2	**The Company**	**265.2**	**10.3%**
3	Company B[3]	229.8	9.0%
4	Company C[4]	208.9	8.1%
5	Company D[5]	126.8	4.9%
	Others	1,457.5	56.8%
	Total	**2,567.0**	**100%**

Source: Company Reports, Frost & Sullivan

Notes:

(1) Revenue refers to the Chinese cobot manufacturers' revenue derived from sales of cobots and key components in the global market.

(2) Company A, a domestic private company, was established in 2014 and primarily offers cobots for industrial automation. Company A has established a competitive edge through its early entry into the cobot industry, allowing it to accumulate experience in product development, market deployment, and customer engagement.

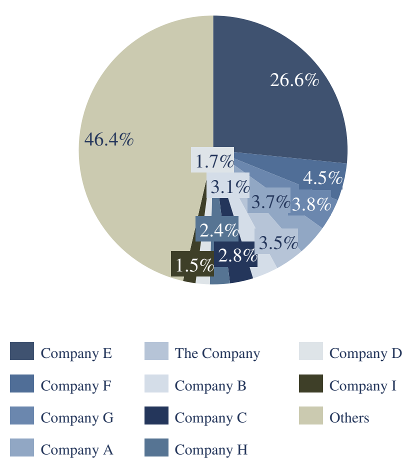
(3) Company B, a domestic private company, was established in 2015 and primarily offers cobots for flexible production.

(4) Company C, a domestic listed company, was established in 2015 and primarily offers light-duty cobots.

(5) Company D, a domestic private company, was established in 2014 and primarily offers traditional industrial robots and cobots.

Among the top cobot companies, we ranked fifth with a market share of 3.5% in the global market in term of revenue in 2024.

TOP 10 Cobot Companies (by revenue)[(1)], Global, 2024



Rank	Company	Country	Revenue (Million RMB)	Market Share
1	Company E[(2)]	Denmark	1,998.1	26.6%
2	Company F[(3)]	China, Taiwan	339.6	4.5%
3	Company G[(4)]	Japan	283.5	3.8%
4	Company A	Chinese Mainland	278.8	3.7%
5	**The Company**	**Chinese Mainland**	**265.2**	**3.5%**
6	Company B	Chinese Mainland	229.8	3.1%
7	Company C	Chinese Mainland	208.9	2.8%
8	Company H[(5)]	South Korea	180.0	2.4%
9	Company D	Chinese Mainland	126.8	1.7%
10	Company I[(6)]	Chinese Mainland	110.0	1.5%
	Others		3,504.3	46.4%
	Total		**7,525.0**	**100%**

Source: Company Reports, Frost & Sullivan

Notes:

(1) Revenue refers to the cobot manufacturers' revenue derived from sales of cobots and key components in the global market.

(2) Company E, a Denmark listed company, was established in 2005 and primarily offers cobots in automation.

(3) Company F, a Taiwan listed company, was established in 2015 and primarily offers cobots focusing on smart manufacturing and inspection.

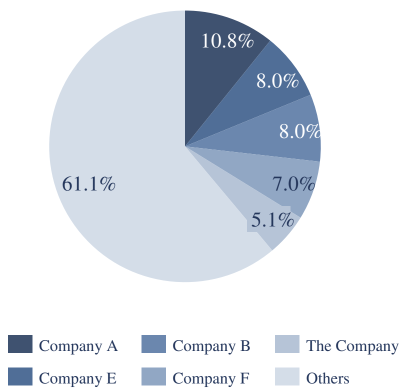
(4) Company G, a Japan listed company, was established in 1972 and primarily offers traditional industrial robots and cobots across multiple sectors.

(5) Company H, a South Korea listed company, was established in 2015 and primarily offers collaborative robots across multiple sectors.

(6) Company I, a domestic private company, was established in 2016 and primarily offers light-weight industrial robots across multiple sectors.

Among the top cobot companies, we ranked fifth with a market share of 5.1% in China's market in term of revenue in 2024.

TOP 5 Cobot Companies (by revenue[(1)]), China, 2024



Rank	Company	Revenue (Million RMB)	Market Share
1	Company A	237.0	10.8%
2	Company E	175.6	8.0%
3	Company B	174.6	8.0%
4	Company F	152.1	7.0%
5	**The Company**	**111.5**	**5.1%**
	Others	1,337.7	61.1%
	Total	**2,188.5**	**100.0%**

Source: Company Reports, Frost & Sullivan

Note:

(1) Revenue refers to the cobot manufacturers' revenue derived from sales of cobots and key components in China's market.

Technology Comparison among Major Market Players

The tables below compare the light-duty and heavy-duty products among major cobot manufacturers in the industry. Due to product and data availability of various players, 5kg payload is selected representing light-duty, and 30kg or above payload is selected representing heavy-duty. Due to differing application scenarios in light-duty and heavy-duty use cases, the performance priorities for cobots vary, making it necessary to evaluate them separately.

Key technologies driving the cobot industry include precision encoders, advanced servo drive systems, integrated joint module design, lightweight structural materials, high-torque-density motors, and thermal management systems.

Compared with major industry peers in the 5kg payload cobot segment, we demonstrate competitive advantages in several key technical dimensions, including enhanced repeat positioning accuracy and absolute positioning accuracy, as well as broader operating temperature range.

5kg Payload Light-duty Product Comparison among Major Cobot Companies[(1)]

Company	Repeat Positioning Accuracy	Absolute Positioning Accuracy	Operating Temperature Range
	(Lower refers to better performance)	*(Lower refers to better performance)*	
The Company	±0.015mm	0.15mm	-20-55°C
Company A	±0.02mm	/	0-50°C
Company B	±0.02mm	/	0-50°C
Company C	±0.02mm	0.229mm	0-45°C
Company D	±0.03mm	/	0-50°C
Company E	±0.03mm	/	0-50°C
Company F	±0.03mm	/	0-50°C
Company G	±0.03mm	/	0-45°C

Source: Company Disclosure, Frost & Sullivan

Note:

(1) The technical comparison is based on each company's flagship cobot model with 5kg payload capacity.

We have the largest payload in the cobot industry and holds a leading position in weight-to-payload ratio and maximum TCP speed for payloads over 30kg and reach exceeding 1.5 meters.

Heavy-duty Product Comparison among Major Cobot Companies(1)

Company	Maximum Payload	Weight-to-payload Ratio	Maximum TCP Speed
		(Lower refers to better performance)	*(Higher refers to better performance)*
The Company	60kg	2.5	8.5 m/s
Company A(2)	30kg	NA	NA
Company B	35kg	4.4	6.0 m/s
Company C(3)	30kg	NA	NA
Company D	45kg	3.6	6.0 m/s
Company E(2)	35kg	NA	NA
Company F	30kg	2.7	5.2 m/s
Company G	30kg	4.5	2.0 m/s

Source: Company Disclosure, Frost & Sullivan

Notes:

(1) The weight-to-payload ratio and maximum TCP speed metrics are compared based on each company's highest payload cobot model with 30kg payload or above and reach exceeding 1.5 meters.

(2) Company A/E do not have comparable products with reach exceeding 1.5 meters.

(3) Company C does not have comparable products of heavy duty with 30kg payload or above.

Key competitors in the cobot industry include AUBO, DOBOT, DOOSAN, ELITE, FANUC, JAKA, ROKAE, Techman, and Universal Robots.

Entry Barriers of Cobot Market

- ***Technology Barrier.*** The cobot industry requires mastery of high-precision servo control, force-control algorithms and safety systems, all demanding long R&D cycles and heavy investment. High real-time performance and strict safety requirements further prevent new entrants from quickly achieving competitive levels.

- ***Certification Barrier.*** Cobots must meet rigorous international safety standards such as ISO 10218-1/2 and ISO/TS 15066, with additional requirements for sectors like medical and semiconductors. Leading players gain early certification advantages in force control and cleanroom performance.

- ***Talent Barrier.*** Cobot development relies on multidisciplinary expertise, including mechanical engineering, motion control and AI. The shortage of experienced industry talent makes recruitment and retention a major entry challenge.

We are subject to a variety of laws, and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities around the world.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE PRC

Regulations and Standards Relating to the Industrial Robotics

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, which is applicable to our business operations. 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"), which is applicable to the enterprises engaged in the manufacturing and integration of key components and bodies of industrial robots within the PRC, without prerequisite or mandatory requirements for administrative approval. Enterprises may voluntarily apply for a specification announcement in accordance with the Standard Conditions. The MIIT reviews the application materials submitted by enterprises seeking inclusion, publicly discloses and officially publishes a list of industrial robot enterprises that meet the Standard Conditions, conducts supervision and inspections of these enterprises, and makes to or revokes announcements as necessary. The Standard Conditions were issued in December 2016, with the latest revised version taking effect in August 2024. The Standard Conditions specified requirements across several key areas for industrial robots, which is applicable to our business operation, if we intend to apply for the announcement. As of the Latest Practicable Date, we did not intend to apply for the specification announcement in accordance with the Standard Conditions. Going forward, as part of our business growth strategy, we will evaluate and apply for the specification announcement as needed.

In addition, as for safety management, we have to comply with the following standards (or equivalent international standards) for the industrial robots: GB 11291.2 Robots and Robotic Devices — Safety Requirements for Industrial Robots — Part 2: Robot Systems and Integration, which specifies the safety requirements for industrial robots, industrial robot systems and industrial robot cell integration. The aforementioned standards, which is a compulsory standard and must be implemented by the relevant companies, stipulates the safety requirements for industrial robots including cobots and core motion components. Our Directors are of the view that, we had complied with the compulsory regulations and standards relating to the safety of cobots and core motion components in all material respects, during the Track Record Period and up to the Latest Practicable Date. Base on the compliance certificate acquired by us, our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

Relevant PRC Laws and Regulations in Relation to the Industry

Pursuant to the Tendering and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》) (the "**Tendering and Bidding Law**") promulgated by the SCNPC on August 30, 1999 and revised on December 27, 2017 and effective from December 28, 2017, tenderers shall not collude with each other in setting bidding prices, nor shall they exclude other tenderers from fair competition and harm the lawful rights and interests of the tenderee and other tenderers. Tenderers shall not participate in the bidding competition by offering a price lower than the cost, nor shall they attempt to win the bid in the name of other persons or through other fraudulent means.

According to the Implementation Regulations for the Law of the People's Republic of China on Tenders and Bids (《中華人民共和國招標投標法實施條例》) which was last amended on March 2,2019, and became effective on the same day, where the tender invitation and bidding activities of a project required by law to call for tenders violate the provisions of the Tendering and Bidding Law and these Regulations, and have a substantive influence on the outcome of award of tender, if it is impossible to adopt remedial measures to rectify, the tender invitation, bidding and award of tender shall be void, the tender exercise or bid evaluation shall be organized anew pursuant to the law.

According to the Law of the PRC on Government Procurement (《中華人民共和國政府採購法》) (the "**Procurement Law**") promulgated by the SCNPC on June 29, 2002 and which was last amended and implemented on August 31, 2014, the government procurement methods include public tender invitation, bidding invitation, competitive negotiation, single-source procurement, inquiry about quotations, and other methods confirmed by the department for supervision over government procurement under the State Council. Public invitation of bids shall be the principal method of government procurement, and the term "government procurement" means the use of fiscal funds by all levels of State authorities, institutions and social organizations to procure goods, projects and services that fall within the catalog for centralized procurement formulated in accordance with the law or that are above the procurement limits. Pursuant to Article 73 of the Procurement Law, if any unlawful act made pursuant to Article 71 results in or may result in the supplier winning the bid, the procurement contract shall be canceled if it has not been performed.

Regulations on Corporation and Foreign Investment

On December 29, 1993, the Standing Committee of the National People's Congress (the "**SCNPC**") issued the PRC Company Law (《公司法》), which was lasted amended on December 29, 2023, and came into effect on July 1, 2024. The Company Law of the PRC regulates the establishment, operation and management of corporate entities in China and classifies companies into limited liability companies and limited companies by shares. The revisions mainly focus on refining the systems for the establishment and withdrawal of companies, optimizing the organizational structure of companies, modifying the capital system of companies, strengthening the responsibilities of controlling shareholders and the management level, strengthening the social responsibilities of companies and etc.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which came into effect on January 1, 2020, specifies that the state shall implement the management system of pre-entry national treatment and the Negative List for foreign investment. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the state. The state provides national treatment to foreign investments outside the Negative List. In addition, the Regulations on Implementing the Foreign Investment Law of the PRC ("**Implementation Regulations**"), which came into effect on January 1, 2020, further stipulate that the state shall, formulate a catalog of industries for encouraging foreign investment, setting out the specific industries, fields and regions in which foreign investors will be encouraged and induced to invest.

We are a company specializing in collaborative robots, without any AI vision or generative AI services or business. Based on the above, as advised by our PRC Legal Advisor, the foreign investment restrictions regulated by the Negative List are not applicable to us.

Regulations on Overseas Investment

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) effective from October 6, 2014, the MOFCOM and provincial competent commerce departments shall carry out administration either by record-filing or by verification and approval depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by verification and approval. Outbound investment that falls under any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) effective from March 1, 2018, domestic enterprises (the "**investors**") in the PRC making an outbound investment shall go through verification and approval or record-filing or other procedures applicable to outbound investment projects (the "**Projects**"), report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by the investors directly or through overseas enterprises controlled by them shall be subject to the management of verification and approval; non-sensitive Projects directly carried out by the investors, namely, non-sensitive projects involving the investors' direct contribution of assets or rights and interests or provision of financing or security, shall be subject to the management of record-filing. The aforementioned sensitive project means a project involving sensitive countries and regions or a sensitive industry. The NDRC promulgated the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018 to list the sensitive industries for foreign investment in detail.

According to the "Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment" effective from June 1, 2015, the approval of foreign exchange registration for direct investment is canceled. Banks directly review and handle the foreign exchange registration for overseas direct investment. The State Administration of Foreign Exchange and its branches indirectly supervise the registration of foreign exchange for overseas direct investment through banks.

Regulations on Work Safety, Environmental Protection and Fire Safety

Work Safety

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on June 29, 2002 and was latest amended in June 10, 2021, entities that engage in production and business operation activities in PRC shall set up and perfect the responsibility system for work safety, improve the conditions for work safety, strengthen the education and training on work safety for employees, provide articles of labor protection that meet the national standards or industrial standards for their employees, and perform the obligations related to work safety as stipulated by the Work Safety Law of the PRC and other laws and regulations.

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) was effective on December 26, 1989, and most recently amended on April 24, 2014. The Environmental Protection Law has been formulated for the purpose of protecting and improving both the living and the ecological environment, preventing and controlling pollution and other public hazards and safeguarding people's health. According to the provisions of the Environmental Protection Law, in addition to other relevant laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts are responsible for administering and supervising environmental protection matters. Pursuant to the Environmental Protection Law, construction projects that have environmental impact shall be subject to environmental impact assessment.

Pollutant Discharge Permit

Pursuant to the Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste of the PRC (《中華人民共和國固體廢物污染環境防治法》), which was promulgated by the SCNPC in 1995 and was latest amended on April 29, 2020, entities generating hazardous waste shall store, utilize and dispose hazardous waste according to the relevant requirements of the state and environmental protection standards, and shall not dump or pile up hazardous waste without authorization. Furthermore, it is forbidden to entrust hazardous waste to entities without a permit for disposal, or else the competent ecological and environmental authorities shall order it to make rectification, impose fines, confiscate illegal gains, and in serious circumstance, order it to suspend business or close down upon the approval of government authorities.

According to the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) issued by the Ministry of Ecology and Environment on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors such as the amount of pollutants generated, the amount of emissions, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

Fire Safety

Pursuant to the Fire Protection Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, last amended and implemented on April 29, 2021, for special construction projects stipulated by the Ministry of Housing and Urban-Rural Development of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. According to the Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated on April 1, 2020 and amended on August 21, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

Regulations on Product Quality

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and last revised on December 29, 2018, producers and sellers shall establish a sound internal product quality control system and strictly adhere to a job responsibility system in relation to quality standards and quality liabilities together with implementing corresponding examination and inspection measures. The counterfeiting or imitation of quality marks such as certification marks, falsifying the place of origin of products, and falsifying or imitating the name or address of another factory or adulteration of, or mixing of improper elements with products, passing off the sham as the genuine or passing off the inferior as the superior is prohibited.

Regulations on Sale of Products

Anti-Unfair Competition

The Countering Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC on September 2, 1993, and effective from December 1, 1993, with its most recent amendment becoming operative on April 23, 2019, delineates essential measures aimed at curbing unfair competition and preserving market order. These measures encompass the prohibition of unjust practices such as misleading prize promotions and dumping. According to the aforementioned law, operators are strictly prohibited from offering bribes to employees of counterpart units, units or personnel entrusted by counterparts, or exerting undue influence on counterpart units or personnel to secure commercial opportunities or gain competitive advantages. However, operators are permitted to openly provide discounts to trading counterparts or commissions to intermediaries during their business transactions. It is imperative for operators to maintain accurate records of payments made to trading counterparts and intermediaries.

In the event of violations against the provisions outlined in Article 7 of the Law, wherein operators engage in bribery, regulatory authorities are empowered to confiscate the illicit gains obtained by the operators. Additionally, depending on the severity of the circumstances, fines ranging from RMB100,000 to RMB3,000,000 may be imposed. In cases of egregious violations, the revocation of business licenses is a potential consequence.

Anti-Money Laundering

Pursuant to the Anti-money Laundering Law of the PRC (《中華人民共和國反洗錢法》) promulgated by SCNPC on October 31, 2006, last amended on November 8, 2024 and became effective on January 1, 2025, the Anti-money laundering refers to the adoption of relevant measures in accordance with the provisions of the Law, for preventing money laundering activities related to cover up and conceal of drugs dealing, organized crime, terrorism, smuggling, corruption and bribery, breaking the order of financial management and financial fraud. Where an act in violation of this law that constitutes a crime shall be subject to prosecution for criminal responsibility.

Regulations on Import and Export Trade

According to the Customs Law of the PRC (《中華人民共和國海關法》), which was promulgated by the SCNPC on January 22, 1987 and last revised on April 29, 2021, unless otherwise stipulated, the declaration of import and export goods and the payment of customs duties may be handled by the consignees or consignors of imported or exported goods or entrusted customs declaration enterprises. The consignee or the consignor of imported or exported goods and the customs declaration enterprise shall go through customs declaration and filing procedures at the relevant customs in accordance with the law.

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and last revised on December 30, 2022, and the Regulation of the People's Republic of China on the Administration of the 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, last revised on March 10, 2024 and became effective on May 1, 2024, unless it is clearly provided in laws or administrative regulations to forbid or restrict the import or export of goods, no entity or individual may establish or maintain prohibitive or restrictive measures over the import or export of goods.

In accordance with the Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》), promulgated by the Standing Committee of the National People's Congress on October 17, 2020, and which came into effect on December 1, 2020, China controls the export of dual-use items, military goods, nuclear and other goods, technologies, services and other items that are relevant to safeguarding the security and interests of China and fulfilling its international obligations in the area of non-proliferation. In accordance with the provisions of the Export Control Law and relevant laws and administrative regulations, and in accordance with export control policies, export control authorities, in conjunction with the relevant departments and in accordance with prescribed procedures, formulate and adjust the export control lists of controlled items, and make them public in a timely manner. The export control authorities may also impose temporary controls on goods, technologies and services not included in the export control lists, and make public announcements thereof.

Pursuant to the Administrative Provisions of the PRC on the Filing of Customs Declaration Entities (《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 on November 19, 2021 and became effective on January 1, 2022, consignees, consignors or customs declaration enterprises of imported or exported goods only need to file with the Customs, and no longer need to register with the General Administration of Customs. The filing information will be publicized through the credit publicity platform of import and export business of Customs of the PRC.

Regulations on Cybersecurity and Data Protection

On July 1, 2015, the SCNPC issued the National Security Law of the PRC (《中華人民共和國國家安全法》), which came into effect on the same day, pursuant to which the State shall safeguard the sovereignty, security and cybersecurity development interests of the State, and that the State shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), which became effective on June 1, 2017, and applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators are broadly defined as owners and administrators of networks and network service providers, and such network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who construct or operate networks or provide services through networks shall take technical measures and other necessary measures pursuant to the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and a network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties. In addition, critical information infrastructure operators ("**CIIOs**") shall, during their operations in the PRC, store within the PRC the personal information and important data collected and generated within the territory of the PRC, and where cross-border transfer of such data is necessary for business, a security assessment shall be conducted in accordance with the measures formulated by the national cyberspace authority in conjunction with the relevant departments under the State Council.

On June 10, 2021, the SCNPC promulgated the Data Security Law of PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**") which became effective on September 1, 2021. According to the Data Security Law, "data" is defined as any record of information in electronic or other forms, and the processing activities of data includes the collection, storage, use, processing, transmission, provision and disclosure of data. The Data Security Law is broadly applicable to such processing activities of data which are carried out in the PRC or, where carried out outside the PRC, damage the national security, public interests or the legitimate rights and interests of citizens and organizations of the PRC. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility, including without limitation, that any organization or individual collecting data shall adopt lawful and proper methods and shall not steal data or obtain the data by other illegal means, and risk monitoring shall be strengthened when data processing activities are carried out, and where risks such as data security flaws and vulnerabilities are discovered, remedial measures shall be immediately taken.

On September 24, 2024, the Administration Regulations on Network Data Security (《網絡數據安全管理條例》) (the "**Regulation on Cyber Data Security**") is published, which came into effect on January 1, 2025. The Regulation on Cyber Data Security reiterate the general regulations for cyber data processing activities, rules of personal information protection, important data security protection, network data cross-border transfer management, and the responsibilities of internet platform service providers. The Regulation on Cyber Data Security does not specifically include the requirement that cyber data processing entities seeking a Hong Kong listing that affects or may affect national security should apply for a cybersecurity review. Instead, the Regulation on Cyber Data Security generally provides that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations. The Regulation on Cyber Data Security is relevantly new and there is no further explanation or interpretation on what kind of activities "affect or may affect national security" under the Regulation on Cyber Data Security yet.

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Cybersecurity Review Measures**") which became effective on February 15, 2022. The Cybersecurity Review Measures provides that, among others, (i) a CIIO purchasing network products and services or a network platform operator that engages in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) a network platform operator with personal information of more than one million users which seek listing in a foreign country is obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security.

On December 13, 2022, the MIIT issued the Administrative Measures for Data Security in the Industrial and Information Technology Field (Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》) (the "**MIIT Data Security Measures**"), which came into effect on January 1, 2023. The MIIT Data Security Measures is applicable to the processing activities carried out in the territory of the PRC of data in the field of industry and information technology. Our processing activities in the PRC of such data, including the data collected and generated during our research and development, design and manufacturing of our products therefore shall comply with the MIIT Data Security Measures. The MIIT Data Security Measures provides that industrial and telecommunication data processors shall implement data classification and grading, and further imposes data security obligations and responsibilities on data processors in the field of industry and information technology, which include, among others, taking protective measures based on the corresponding grading of data, establishing management system covering the whole data lifecycle, and staffing data security management personnel as needed to be in charge of the security supervision and management of data processing activities as a whole and assisting with the industrial administrative authorities in carrying out the relevant work.

Regulations on House Leasing

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994, was last revised on August 26, 2019 and came into effect on January 1, 2020, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

In addition, according to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which 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. If individuals or entities are in violation of the above provisions, they may be ordered to make corrections within a specified time limit by the competent construction (real estate) department of the people's government of a municipality directly under the central government, 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 of more than RMB1,000 but less than RMB10,000 will be imposed.

Regulations on Intellectual Property Rights

Patent

Pursuant to the Patent Law of the PRC (the "**Patent Law**") promulgated by the SCNPC on March 12, 1984, last revised on October 17, 2020 and effective from June 1, 2021, and the Implementation Rules of the Patent Law of the PRC promulgated by the State Council on June 15, 2001, last revised on December 11, 2023 and effective from January 20, 2024, there are three types of patents, namely invention, utility model and design. Invention patents are valid for 20 years, while utility model patents are valid for 10 years and design patents are valid for 15 years, all starting from the date of application. After the granting of a patent for an invention or utility model, unless otherwise provided for in the Patent Law, no entity or individual may exploit the patent without the permission of the patentee; after the granting of a design patent, no entity or individual shall, without permission of the patentee, exploit the patent, that is, they shall not make, promise to sell, sell, or import the product incorporating its or his patented design, for production and business purposes.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, last revised on April 23, 2019 and effective on November 1, 2019, and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, last revised on April 29, 2014 and effective on May 1, 2014, trademarks approved and registered by the Trademark Office are registered trademarks, and the trademark registrant shall have the exclusive right to use the trademark, which is protected by law. The validity period of a registered trademark is 10 years, counting from the date of approval of registration.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, last revised on November 11, 2020 and effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, last revised on January 30, 2013 and effective on March 1, 2013, works of PRC citizens, legal persons or unincorporated organizations, whether published or not, shall enjoy copyright in accordance with law. Works refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form. A copyright holder shall enjoy a number of personal and property rights, including the right of publication, the right of authorship and the right of amendment.

According to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001, last revised on January 30, 2013 and effective on March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration of the PRC on February 20, 2002, computer software refers to computer programs and their associated documentation. Chinese citizens, legal persons or other units shall enjoy the copyright for software they develop, regardless of whether it has been published. Software copyright arises from the date of completion of software development. The protection period of the software copyright of legal persons or other units shall be 50 years, ending on December 31, of the fiftieth year after the first publication of the software. Software which has not been published for 50 years since the date of completion of software development shall not be under protection.

Domain Names

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017, which came into effect on November 1, 2017, the MIIT is responsible for the supervision and management of China's domain name services. No organization or individual shall impede the safe and stable operation of the Internet domain name system.

Regulations on Labor, Social Insurance and Housing Provident Fund

Labor

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**") and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

The Labor Contract Law, which became effective on January 1, 2008, primarily aims at regulating rights and obligations of employment relationships, including the establishment, performance, and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

In December 2012, the Labor Contract Law was amended to impose more stringent requirements on the use of employees of temp agencies, who are known in China as "dispatched workers." Dispatched workers are entitled to equal pay with full-time employees for equal work. Employers are only allowed to use dispatched workers for temporary, auxiliary or substitutive positions. According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Security (人力資源和社會保障部) and came into effect on March 1, 2014, the number of dispatched workers hired by an employer may not exceed 10% of the total number of its employees. Where rectification is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

Social Insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) as last amended by the NPCSC on December 29, 2018, each employer and individual in the PRC shall make social insurance contributions, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work injury insurance. Each employer shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employees. Employers who fail to make social insurance contributions in full and on time shall be ordered by the social insurance premium collection agency to pay or supplement within a prescribed period, and an overdue payment fine at the rate of 5 per 10,000 shall be levied from the due date of payment. When the payment is not made at the expiry of the prescribed period, a fine above the overdue amount but less than its triple shall be imposed by the relevant administrative department.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38 Paragraph 3 of the Labor Contract Law, the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people's court shall support such requests in accordance with the law.

Housing Provident Fund

According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》), as last amended by the State Council on March 24, 2019, each employer and individual in the PRC shall make housing provident fund contributions in accordance with the law. The employer shall go through the housing provident fund contribution registration with the housing provident fund management center and apply for the establishment of housing provident fund account for employees. If the employer does not register the contribution of the housing provident fund or does not establish housing provident fund account for its employees, the housing provident fund management center shall order it to be handled within a prescribed period. The employer who fails to make up the procedures within the prescribed period shall be given a fine of RMB10,000 to RMB50,000. Where the employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the payment and deposit within a prescribed period; where the payment and deposit have not been made after the expiration of the prescribed period, an application may be made to a people's court for compulsory enforcement.

Regulations on Foreign Exchange

Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service- related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange (the "**SAFE**"), by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular 19**") on March 30, 2015, and it became effective on June 1, 2015, which was partially repealed on December 30, 2019, and latest amended on March 23, 2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the Circular on the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular 16**"), which, among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In October 2019, SAFE issued the Circular on Further Facilitating Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "**SAFE Circular 28**"), which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) (the "**SAFE Circular 8**"), issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of SAFE Circular 28 and SAFE Circular 8 are still subject to substantial uncertainties.

Regulations on Taxation

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated by the SCNPC and was latest amended on December 29, 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council and was latest amended in April 2019, collectively referred to as the Enterprise Income Tax Law, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Value-added Tax

Pursuant to the Provisional 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 and was latest amended on November 19, 2017, and the Implementation Rules for the Provisional Regulations 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 and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax.

According to the Circular of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) effective in May 2018, the value-added tax rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019 and effective from April 1, 2019, the value-added tax rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

Dividends Distribution

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "**IIT Law**"), which was latest amended on August 31, 2018 and its implementation rules, for individual income including interest, dividend and bonus, individual income tax with applicable proportional tax rate of 20% shall be paid. Unless otherwise provided by the competent financial and taxation authorities under the State Council, all the interest, dividend and bonus are deemed as derived from the PRC whether the payment place is in the PRC. According to the Circular on Certain Issues Concerning the Policies of Individual Income Tax (《關於個人所得稅若干政策問題的通知》) promulgated on May 13, 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises.

Enterprise Investors

The principal laws, rules and regulations governing dividend distributions by foreign invested enterprises in the PRC are the Company Law and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company must allocate 10% of its current-year after-tax profits to a statutory reserve fund until the reserve reaches 50% of its registered capital. If prior-year losses exist, current profits must first be used to make up such losses before making the statutory allocation. After setting aside the statutory reserve, the company may, subject to shareholder approval, allocate additional funds to a discretionary reserve. Remaining after-tax profits may then be distributed to shareholders in proportion to their shareholding, unless otherwise provided in the articles of association. The company may not distribute profits on shares it holds itself.

In accordance with the EIT Law and its implementation rules, a uniform enterprise income tax rate of 25% is imposed on all resident enterprises in China, including foreign invested enterprises; a non-PRC resident enterprise is generally subject to enterprise income tax at a rate of 10% on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-PRC resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular on Issues relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued by the SAT on November 6, 2008, further clarifies that a PRC resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends distributed to overseas non-PRC resident enterprise shareholders of H Shares in 2008 and any subsequent year. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-PRC Resident Enterprise from Holding Stock such as B Shares (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was issued by the SAT on July 24, 2009, further provides that any PRC resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends distributed to overseas non-PRC resident enterprise shareholders of H Shares in 2008 and any subsequent year. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or area, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed on August 21, 2006, the PRC regulatory authorities may levy taxes on the dividends paid by a PRC resident company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 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, then such tax shall not exceed 5% of the total dividends payable by the PRC resident company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》第五議定書), which came into effect on December 6, 2019, added a criterion for the qualification of entitlement to enjoy treaty benefits. Under this protocol, treaty benefits will not be granted if, after considering all relevant circumstances, it is reasonable to conclude that one of the principal purposes of an arrangement or transaction is to obtain such benefits, unless granting the benefits is consistent with the Arrangement's objectives and purposes. The application of the dividend clause of tax agreements is subject to the statutory requirements of PRC tax law documents, such as the Notice of the SAT on the Issues Concerning the Enforcement of the Dividend Clauses of Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC resident companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States and etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the relevant PRC tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the relevant PRC tax authorities.

Regulations on Securities and Overseas Listing

The Securities Law of the People's Republic of China, which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

The PRC government has enhanced its regulatory oversight of Chinese companies listing overseas. The Opinions on Intensifying Crack Down on Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》) issued in July 2021 called for (i) tightening oversight of data security, cross-border data flow and administration of classified information, as well as amendments to relevant regulations to specify responsibilities of overseas listed Chinese companies with respect to data security and information security; (ii) enhanced oversight of overseas listed companies as well as overseas equity fundraising and listing by Chinese companies; and (iii) extraterritorial application of PRC securities laws.

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") together with 5 supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "**Overseas Listing Regulations**"). Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Regulations provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), or the Provision on Confidentiality. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Regulations on Full Circulation of H Shares

The Company shall comply with regulations on the H share "full circulation" to converse its domestic shares into H shares and circulate on the Hong Kong Stock Exchange. Pursuant to the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Amendment) (《H股公司境內未上市股份申請"全流通"業務指引(2023修正)》), or the Guidelines for the "Full Circulation", promulgated and implemented by the CSRC on November 14, 2019 and revised on August 10, 2023, 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. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China.

According to the Notes on the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《關於<境內企業境外發行證券和上市管理試行辦法>的説明》), the New Regulations Filing aims to strengthening institutional inclusiveness and deepening opening-up, and lays out "full circulation" arrangements. For the overseas offering and listing by a domestic company, holders of its domestically-based domestic unlisted shares are allowed after filing to convert the shares into overseas listed shares to be circulated on overseas trading venues.

According to the Overseas Listing Trial Measures, "Full Circulation" represents the shareholders of domestic unlisted shares of domestic companies, which directly offer and list securities in overseas markets, converting its domestic unlisted shares into foreign listed shares circulating in overseas markets. The shareholders of domestic unlisted shares shall authorize the domestic company to file the "Full Circulation" application with CSRC by filing materials on key compliance issues, including whether the "Full Circulation" has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the "Full circulation" involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed.

OTHER LAWS AND REGULATIONS

U.S. Outbound Investment Rules

On October 28, 2024, the U.S. Department of the Treasury issued the Outbound Investment Rules at 31 CFR Part 850, that govern the newly established Outbound Investment Security Program and took effect on January 2, 2025, applying to transactions with a completion date on or after that date. The Outbound Investment Rules impose investment prohibitions and notification requirements on U.S. persons for investments in entities associated with China (including Hong Kong and Macau) that are engaged in certain activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "covered foreign persons." Unless an exception applies, U.S. persons subject to the Outbound Investment Rules are prohibited from making, or required to report, certain investments in covered foreign persons, which are defined as "covered transactions." "Covered transactions" include, but are not limited to, acquisitions of equity interests that are not yet publicly traded, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Directors, taking into account our Export Control and OIR Counsel's advice, are of the view that the Company is not a covered foreign person under the Outbound Investment Rules. See "Summary — Recent Developments — U.S. Outbound Investment Restrictions."

The Outbound Investment Rules contain a number of excepted transactions, *inter alia*, investments in publicly traded securities, denominated in any currency, that trade on a securities exchange or over-the-counter in any jurisdiction (the "Publicly Traded Securities Exception"), provided that such investments do not afford a U.S. person rights beyond standard minority shareholder protections with respect to a covered foreign person. Following the completion of the Global Offering and upon the effectiveness of the Outbound Investment Rules, even if we are deemed a covered foreign person by the Treasury, it is expected that U.S. persons will be able to invest in our H Shares in reliance on the Publicly Traded Securities Exception, so long as such investments do not afford a U.S. person rights that exceed standard minority shareholder protections.

On December 23, 2025, the U.S. Department of the Treasury published additional frequently asked questions (the "**FAQs**") on the Outbound Investment Rules, which provide further guidance on the scope and application of the Publicly Traded Securities Exception. In particular, FAQ X.4 clarifies that where a U.S. person acquires an equity interest in a covered foreign person, and at the time of such acquisition the equity interest is publicly traded on a securities exchange or over-the-counter in any jurisdiction, such equity interest falls within the description of a "publicly traded security" under 31 C.F.R. Part 850, regardless of when an agreement to make such investment was entered into. The FAQs further indicate that the relevant time of acquisition is when the equity interest is actually transferred to the U.S. person, such as upon settlement. The FAQs also provide additional clarification that the Publicly Traded Securities Exception may apply to a range of capital markets transactions, including initial public offerings, follow-on offerings and similar transactions, provided that the securities acquired are publicly traded at the time of acquisition and that the investment does not afford the U.S. person rights beyond standard minority shareholder protections with respect to the issuer.

As advised by our Export Control and OIR Counsel, and taking into account the guidance provided in the FAQs, because we believe the Company is not a "covered foreign person" under the Outbound Investment Rules, the issuance of the FAQs does not change the applicability or operation of the Publicly Traded Securities Exception with respect to investments in our H Shares, and the impact of such exception on investments in our H Shares by U.S. persons remains unchanged before and after the publication of the FAQs.

For completeness, neither the Outbound Investment Rules nor the FAQs define the precise time at which an acquisition is deemed to occur. As advised by our Export Control and OIR Counsel, it is reasonable to conclude that an acquisition of H Shares by investors occurs upon settlement, at which time the investors receive the H Shares. To the extent that settlement of H Shares purchased by U.S. persons occurs after 9:00 a.m. on the Listing Date, such H Shares would be publicly listed and traded at the time of acquisition. However, where settlement occurs prior to 9:00 a.m. on the Listing Date, when the H Shares are not yet publicly listed and traded (including, for example, settlement of the Hong Kong Offer Shares), it remains uncertain whether the Publicly Traded Securities Exception under the Outbound Investment Rules would be applicable.

OVERVIEW

Our history can be traced back to September 2017 when our Company was founded by Mr. Wang and Mr. Zhang. In May 2025, our Company was converted into a joint stock company with limited liability and renamed as Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人股份有限公司). Over the years of development, we have become a company specializing in cobots. According to Frost & Sullivan, we are the second largest Chinese cobot company and a top five global cobot company by revenue in 2024. Our cobots have been widely adopted in application scenarios such as precision machining, intelligent welding, logistics palletizing, medical testing and screw fastening, with rapid expansion into emerging consumer and educational scenarios including rehabilitation therapy and catering services.

OUR BUSINESS MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2017	Our Company was founded by Mr. Wang and Mr. Zhang.
	We launched and started to generate revenue from our E Series cobots which are designed for high-precision tasks.
2018	We commenced mass production of our E Series cobots, and our core motion components.
	Our Precision Motion Platforms applied in medical testing scenario officially commenced mass production.
2021	We completed Series B Pre-IPO Investments raising RMB350 million, with, among others, Youshan Capital and China Merchants investors participating as Pre-IPO Investors.
2023	We launched our S Series cobots which are engineered for high-payload and high-throughput industrial application scenarios.
	We commenced direct business relationship with the world's largest power battery manufacturer by installed capacity, acting as its cobot supplier.
	We commenced direct business relationship with the world's largest new energy vehicle manufacturer by sales volume, acting as its motor supplier.
2024	Our products were awarded "Red Dot Design Award" (紅點設計大獎), and "iF Product Design Award" (iF產品設計獎).
	We partnered with a global ICT and smart device leader to establish the Embodied Intelligence Innovation Center.
	We were the largest Chinese cobot exporter by overseas revenue in 2024 according to Frost & Sullivan.
2025	We launched our new brand "Huayan Robotics."
	We introduced the S50 model under our S Series, significantly elevating the performance of our heavy-duty cobots across payload, speed, reach, structural design and collaborative safety.
	We commenced supply of our motors and cobots to leading humanoid robot companies in PRC.

OUR MAJOR SUBSIDIARIES

Our business operations have been carried out by our Company and our subsidiaries. The table below sets forth the details of our major subsidiaries as of the Latest Practicable Date:

Name	Place of incorporation	Date of incorporation	Principal business activities
Huayan Robotics Technology	PRC	June 9, 2021	Sales of our products
Jiutian Power Technology	PRC	September 24, 2020	R&D

CORPORATE DEVELOPMENT

Establishment of Our Company

In 2017, Mr. Wang and Mr. Zhang saw business opportunities in intelligent robots and founded the concept of our cobots. They formed the management team and formulated the overall business plans and strategies of our Company. Mr. Wang and Mr. Zhang were experts experienced in motors, servos and motion control with previous work experience and recognition by the industry and the government. As founders of start-up business, they decided to approach, Han's Laser, their then employer, to obtain funding. Following negotiation between Mr. Wang and Han's Laser in the second half of 2017, believing in the competence of Mr. Wang and the management team he formed and considering the business potentials of cobots as well as the potential investment return, Han's Laser agreed to be the Series Angel Pre-IPO Investor to fund the establishment of the Company and undertook to support a management-buy-out (the "**MBO**") to be carried out by Mr. Wang and Mr. Zhang when there are other potential investors willing to invest in the Company (the "**MBO Undertaking**").

To facilitate the business operation, Han's Laser, Mr. Wang and Mr. Zhang agreed to set up a legal entity and our Company was established as a limited liability company in the PRC in September 2017 under the name of Shenzhen Dazu Robot Co., Ltd. (深圳市大族機器人有限公司) with a registered share capital of RMB50.0 million. Following the establishment of our Company and the completion of initial investment by Mr. Wang, Mr. Zhang and Han's Laser in our Company in August 2018, our Company was owned as to approximately 5.69%, 0.81% and 93.5% by Mr. Wang, Mr. Zhang and Han's Laser, respectively.

MBO, Series-A Pre-IPO Investment and further investment by our Controlling Shareholders

With the rapid development of our Company and in light of the then upcoming Series-A Pre-IPO Investment, in line with the MBO Undertaking, Mr. Wang and Mr. Zhang reached consensus with Han's Laser to proceed with the previously agreed MBO in September 2020. Since September 2020, Han's Laser had transferred most of its equity interests in our Company to entities ultimately controlled by Mr. Wang, namely Zhirentuan and Zhirenxing pursuant to the MBO. Zhirentuan and Zhirenxing are controlled and managed by their general partner, Zhirentuan Tech, which is in turn owned as to 99% and 1% by Mr. Wang and Mr. Zhang, respectively. Zhirenxing is one of the Employee Incentive Platforms of our Company.

- As part of the MBO, in September 2020, Han's Laser transferred RMB25.0 million registered share capital of our Company (representing 50% of the then total registered share capital of the Company) to Zhirentuan at a total consideration of RMB80.0 million. The consideration was determined by arms' length negotiation taking into consideration the then valuation of the Company. Following the completion of such equity interests transfer, our Company was owned as to 56.5% and 43.5% by Mr. Wang (together with Mr. Zhang and entities ultimately controlled by Mr. Wang) and Han's Laser, respectively. Zhirentuan obtained loans from

Huashenghui (Beijing) Industrial Development Co., Ltd. (華盛匯(北京)實業發展有限責任公司), a property developer and an independent third party which is neither connected person of the Company nor related to/connected with Han's Laser to fund the MBO; and

- In September 2020, the Company completed the Series-A Pre-IPO Investment with the then Series A Pre-IPO Investors subscribing for RMB16,326,531 registered share capital of our Company.

- As part of the MBO, in May 2021, Han's Laser transferred RMB6,632,653 registered share capital of our Company (representing 10% of the then total registered share capital of the Company) to Zhirenxing at a total consideration of RMB45.0 million. The consideration was determined by arm's-length negotiation taking into consideration the then valuation of the Company. Zhirenxing obtained loans from Shanghai Huaqi and Shenzhen Tianle, the Pre-IPO Investors and independent third parties which are neither connected persons of the Company nor related to/connected with Han's Laser to fund the MBO.

Following the completion of the MBO and Series-A Pre-IPO Investment in 2021, our Company was owned as to 54.94%, 22.79% and 22.27% by Mr. Wang (together with Mr. Zhang and entities controlled by Mr. Wang), Han's Laser, and Series A Pre-IPO Investors, respectively.

Believing in the business potential of our Company as well as considering our employees' contributions to and interests in the Company, Mr. Wang and Mr. Zhang further invested in our Company through entities ultimately controlled by them, namely Xianzhikong, Zhirentuan, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun.

- In September 2020, Xianzhikong subscribed for RMB1,554,908 registered share capital of our Company (representing approximately 2.34% of the then total registered share capital of the Company) at a consideration of RMB10.0 million. Xianzhikong is controlled and managed by Zhirentuan Tech as its general partner which is in turn ultimately controlled by Mr. Wang. The general partner of Xianzhikong is Zhirentuan Tech holding approximately 0.78% partnership interests therein. As of the Latest Practicable Date, each of Mr. Wang Xianli, our connected person, Mr. Wang and Shenzhen Ruiliang Enterprise Management Partnership (Limited Partnership) (深圳市瑞亮企業管理合夥企業(有限合夥), the "**Shenzhen Ruiliang**")*, an Independent Third Party, as limited partners, held approximately 76.91%, 0.78% and 21.52% partnership interests therein;

- In February 2025, Zhirentuan purchased RMB1,554,908 registered share capital of our Company (representing approximately 1.80% of the then total registered share capital of the Company) from our then Shareholder, Zhuhai Honghao Investment Fund Management Center (Limited Partnership) (珠海鴻灝投資基金管理中心(有限合夥)) ("**Zhuhai Honghao**"), at a total consideration of approximately RMB27 million. The general partner of Zhirentuan is Zhirentuan Tech holding approximately 0.94% partnership interests therein. As of the Latest Practicable Date, each of Mr. Wang, Mr. Zhang and Shenzhen Ruiliang*, as limited partners, held approximately 81.14%, 11.73%, 6.20% partnership interests therein;

- In April 2025, Zhirenying purchased RMB731,994 registered share capital of our Company (representing approximately 0.85% of the then total registered share capital of the Company) from Foshan Pengxia Jufu Enterprise Management Partnership (Limited Partnership) (佛山市鵬廈聚富企業管理合夥企業(有限合夥)) ("**Foshan Pengxia**"), one of our Pre-IPO Investors.

* Shenzhen Ruiliang is a partnership established in PRC with Liu Hongliang (劉洪亮), an Independent Third Party and individual investor who may from time to time make equity investment, as its general partner holding approximately 84.56% partnership interests therein. Each of the four limited partners of Shenzhen Ruiliang is an Independent Third Party and holds less than 6% partnership interests therein. At the relevant time, Shenzhen Ruiliang intended to invest in the Company. However, considering the Company's overall circumstances, including its financial position, the Company had not initiated a new financing round, and any proposed issue of new Shares would have required the approval of the existing Shareholders, the outcome of which was uncertain and would have required a relatively lengthy preparation process. In addition, there was no existing Shareholder seeking to dispose of Shares it held at that time. In light of the funding needs of Zhirentuan and Xianzhikong at that time, Shenzhen Ruiliang therefore invested in Zhirentuan and Xianzhikong, through which it could indirectly hold equity interest in the Company.

The general partner of Zhirenying is Zhirentuan Tech holding approximately 0.05% partnership interests therein. As of the Latest Practicable Date, all the 37 limited partners of Zhirenying were current employees of the Group with each holding less than 20% partnership interests therein; and

- In May 2025, an aggregate of 18,027,800 Shares (representing approximately 4% of the total issued share capital of the Company) were issued to Zhirenle, Zhirenxue, Zhirenju and Zhirenyun, which are all Employee Incentive Platforms. Zhirenle, Zhirenxue, Zhirenju and Zhirenyun are controlled and managed by Zhirentuan Tech as their general partner which is in turn ultimately controlled by Mr. Wang, while their limited partners are current employees and advisors of our Group. See "Appendix IV — 5. Employee Incentive Schemes — (a) Employee Incentive Platforms" for details of the limited partners.

Pre-IPO Investments

From September 2017 to May 2025, we have completed several rounds of Pre-IPO Investments. Following the completion of the Pre-IPO Investments, our Company is owned as to 39.44%, 16.77%, and 43.79% by the Controlling Shareholders, Han's Laser and other Pre-IPO Investors, respectively. See "— Pre-IPO Investments" below for details of the Pre-IPO Investments.

Joint Stock Conversion

On May 22, 2025, our Company was converted into a joint stock company with limited liability and was renamed as Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人股份有限公司) with our registered share capital of RMB86,533,436 remaining unchanged and divided into 432,667,180 Shares. Our then Shareholders' respective shareholding percentage remain unchanged immediately before and after the joint stock conversion.

Acting in Concert Agreement

To record and formalize the understanding and practice among Mr. Wang, Mr. Zhang and entities controlled by them, on April 30, 2025, Mr. Wang and Mr. Zhang entered into the Acting in Concert Agreement. Pursuant to the Acting in Concert Agreement, Mr. Wang and Mr. Zhang confirmed that they and entities controlled by them had been acting in concert since he/it became a Director or Shareholder and will continue to act in concert to align their votes at the Board meetings and the general meetings of the Company (as the case may be), and that Mr. Zhang will follow Mr. Wang's vote to arrive at a unanimous consent in case of any disagreement. The Acting in Concert Agreement shall remain valid until the third anniversary year following the Listing. If neither party issues a termination notice upon expiry of the first three-anniversary year valid period, the Acting in Concert Agreement shall be automatically renewed for a period of one anniversary year, same for each subsequent annual renewal.

Employee Incentive Schemes

In recognition of the contributions of our key employees and to incentivize them to further promote our development, our Company adopted employee incentive schemes in December 2021 and May 2025 to award the partnership interests in our Employee Incentive Platforms to the scheme participants. In addition to Zhirenxing, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun were established in May 2025 to serve as our Employee Incentive Platforms to provide more incentives to our employees. Each of Zhirenxing, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun is ultimately controlled and managed by Mr. Wang. As of the Latest Practicable Date, Zhirenxing, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun held an aggregate of 8.20% equity interests in the Company. See "Statutory and General Information — 5. Employee Incentive Schemes" in Appendix IV to this Prospectus for details of our employee incentive schemes.

Rebranding of the Company

The Company's name has changed from Shenzhen Dazu Robot Co., Ltd. (深圳市大族機器人有限公司) to Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人有限公司) on March 26, 2025 and the Chinese name of the Company was further changed to 廣東華沿機器人股份有限公司 (Guangdong Huayan Robotics Co., Ltd.) on May 22, 2025. Historically, the Company entered into the trademark licensing agreement with Han's Laser, pursuant to which, Han's Laser authorized us to use a number of registered trademarks owned by Han's Laser (the "**Licensed Trademarks**"). For details of the Licensed Trademarks, please refer to "Appendix IV — Statutory and General Information — 2. Further Information about our Business — B. Intellectual Property Rights — (b) Trademarks." From January 1, 2022 (the beginning of the Track Record Period) to July 30, 2025, all of the Group's products delivered to its customers were under the "Han's" brand name. Such trademark licensing agreement has been terminated with effect from August 1, 2025, and none of our products delivered to customers was or will be under the "Han's" brand name thereafter.

Considering that (i) the customers purchase products from the Group on an order-by-order basis rather than relying on long-term supply agreements, which is in line with industry norms; (ii) as of the Latest Practicable Date, none of the customers of the Group has indicated to the Group that they will cease the procurement of the company's products due to the rebranding, or expressed any concern to the Group in this regard; and (iii) during the Track Record Period, approximately 69.9%, 79.3%, 86.3% and 90.4% of the Group's revenue were generated from sales to system integrators, whose procurement decisions are driven primarily by the intrinsic qualities, technical specification and performance of the products, the Company is of the view that there is no material adverse impact on the Group's business operations and financial performance resulting from the rebranding.

CAPITALIZATION OF OUR COMPANY

The table below summarizes the shareholding structure of our Company as of the Latest Practicable Date and immediately prior to the completion of the Global Offering.

Name of Shareholder	Number of Unlisted Shares held	Approximate percentage of shareholding (%)
Controlling Shareholders		
Mr. Wang	14,218,750	3.15
Mr. Zhang	2,031,250	0.45
Zhirentuan	113,107,850	25.10
Zhirenxing	18,950,440	4.20
Xianzhikong	7,774,540	1.73
Zhirenying	3,659,970	0.81
Zhirenxue	8,617,800	1.91
Zhirenle	5,000,000	1.11
Zhirenju	2,500,000	0.55
Zhirenyun	1,910,000	0.42
Subtotal	***177,770,600***	***39.44***
Han's Laser	75,586,735	16.77
Shenzhen Zhongshen Xinchuang Equity Investment Partnership (Limited Partnership) (深圳中深新創股權投資合夥企業(有限合夥)) ("**Zhongshen Xinchuang**")	33,163,265	7.36
China Merchants Investors		
Zhaoying (Zhucheng) Venture Capital Partnership (Limited Partnership) (招盈(諸城)創業投資合夥企業(有限合夥)) ("**Zhucheng Zhaoying**")	11,054,420	2.45

Name of Shareholder	Number of Unlisted Shares held	Approximate percentage of shareholding (%)
Foshan Zhaoke Innovation Intelligent Industry Investment Fund Partnership (Limited Partnership) (佛山市招科創新智能產業投資基金合夥企業(有限合夥)) ("**Foshan Zhaoke**")	11,054,420	2.45
Subtotal	***22,108,840***	***4.91***
CAS Investors		
Beijing Guoke Ruihua Phase IV Equity Investment Fund Partnership (Limited Partnership) (北京國科瑞華四期股權投資基金合夥企業(有限合夥)) ("**Guoke Ruihua**")	9,735,015	2.16
Shenzhen Baoshi Xinqiao Guoke Ruihua Private Equity Investment Fund Partnership (Limited Partnership) (深圳市寶實新橋國科瑞華私募股權投資基金合夥企業(有限合夥)) ("**Baoshi Xinqiao**")	9,735,015	2.16
Subtotal	***19,470,030***	***4.32***
Mr. Liang Jianhong (梁建宏) ("**Mr. Liang**")	18,804,660	4.17
Fujian Min'an Tongfu Enterprise Management Partnership (Limited Partnership) (福建民安同富企業管理合夥企業(有限合夥)) ("**Fujian Min'an**")	18,658,890	4.14
Suzhou Tengxin Venture Capital Partnership (Limited Partnership) (蘇州藤信創業投資合夥企業(有限合夥)) ("**Suzhou Tengxin**")	11,661,810	2.59
Yantai Xinzhen Tianying Equity Investment Center (Limited Partnership) (煙臺信貞添盈股權投資中心(有限合夥)) ("**Yantai Xinzhen**")	11,054,420	2.45
SIHC Investors		
Shenzhen Zhongxiaodan Venture Capital Co., Ltd. (深圳市中小擔創業投資有限公司) ("**Zhongxiaodan**")	3,887,270	0.86
Shenzhen Talent Innovation Entrepreneurship No. 3 Phase II Equity Investment Fund Partnership (Limited Partnership) (深圳市人才創新創業三號二期股權投資基金合夥企業(有限合夥)) ("**Shenzhen Talent**")	3,887,270	0.86
Shenzhen Toposcend Zhongxiaowei Venture Capital Enterprise (Limited Partnership) (深圳市投控東海中小微創業投資企業(有限合夥)) ("**Toposcend**")	6,632,655	1.47
Subtotal	***14,407,195***	***3.20***
Foshan Pengxia	10,402,330	2.31
Yuecai Investors		
Guangdong Yuecai Industrial Investment Fund Partnership (Limited Partnership) (廣東粵財產業投資基金合夥企業(有限合夥)) ("**Guangdong Yuecai**")	4,719,388	1.05
Guangzhou Chuangying Jianke Investment Partnership (Limited Partnership) (廣州創盈健科投資合夥企業(有限合夥)) ("**Chuangying Jianke**")	28,317	0.01
Subtotal	***4,747,705***	***1.05***

Name of Shareholder	Number of Unlisted Shares held	Approximate percentage of shareholding (%)
Shenzhen Qielou Xingwen Management Partnership (Limited Partnership) (深圳鍥鏤行穩管理合夥企業(有限合夥)) ("**Shenzhen Qielou**")	9,438,775	2.09
Investors controlled by Mr. Tan Zhaolin		
Shanghai Huaqi Investment Management Partnership (Limited Partnership) (上海畫琪投資管理合夥企業(有限合夥)) ("**Shanghai Huaqi**")	4,737,610	1.05
Shenzhen Qunte Investment Co., Ltd. (深圳市群特投資有限責任公司) ("**Shenzhen Qunte**")	4,413,988	0.98
Subtotal	***9,151,598***	***2.03***
Wuxi High-tech Zone Xindongneng Industry Development Fund (Limited Partnership) (無錫高新區新動能產業發展基金(有限合夥)) ("**Wuxi Xindongneng**")	4,719,390	1.05
Founder Securities Investment Co., Ltd. (方正證券投資有限公司) ("**Founder Securities**")	4,421,770	0.98
Shenzhen Shuohang Enterprise Management Partnership (Limited Partnership) (深圳市碩航企業管理合夥(有限合夥)) ("**Shenzhen Shuohang**")	3,178,760	0.71
Ms. Liu Hong (劉宏)	1,751,547	0.39
Beijing CAS Zhengdao Investment Center (Limited Partnership) (北京國科正道投資中心(有限合夥)) ("**CAS Zhengdao**")	196,660	0.04
Total	**450,694,980**	**100.00**

MATERIAL ACQUISITIONS, DISPOSALS AND MERGERS

Disposal of Shenzhen Niuer Robot

Shenzhen Niuer Commercial Robot Co., Ltd. (深圳市牛耳商用機器人有限公司, the "**Shenzhen Niuer Robot**") was established in 2021 to explore the business prospects of our cobots' application in semiconductor industry. Upon establishment, Shenzhen Niuer Robot was owned as to 60% by the Company and 40% by Shenzhen Juchengxing Enterprise Management Partnership (Limited Partnership). (深圳市聚誠興企業管理合夥企業(有限合夥), a company then controlled and owned by Shenzhen Niuer Robot's R&D and technical personnel. Unlike the Group who is positioned as a cobot provider focused on standardized products that can be readily adapted to diverse industrial and other application needs, Shenzhen Niuer Robot acted as an integrator focusing on semiconductor industry. Due to the nature of the business of semiconductor manufacturing/fabrication companies (the main target customers of Shenzhen Niuer Robot), it takes a considerable period of time for Shenzhen Niuer Robot's products to be tested, proved with and recognized by its customers. As advised by Frost & Sullivan, it usually takes 12-18 months for a cobot manufacturer to test and prove its product with a customer. Once the product was tested and proved with a semiconductor manufacturing/fabrication company, the procurement volume of such semiconductor manufacturing/fabrication company could increase rapidly, and the procurement volume from a single semiconductor company could be quite considerable.

Considering (i) the different business strategic directions as disclosed above; (ii) up to the time of the Company's disposal, Shenzhen Niuer Robot was at its early stage of development. Despite it was testing and validating its products with a number of customers and generated a small amount of revenue, it had not yet commenced mass production of any product and did not achieve profitability, which also resulted in the negative net assets value position; (iii) Shenzhen Niuer Robot required further investment to sustain its R&D and business operations before the disposal. It was not in the best interests of the Company to make further investments in Shenzhen Niuer

Robot; (iv) upon disposal, the Company would no longer be exposed to the risk associated with Shenzhen Niuer Robot and could recover its initial investment in Shenzhen Niuer Robot. Therefore, as requested and approved by our then Shareholders, in July 2023, we entered into an equity transfer agreement with Pengxia Investment (Shenzhen) Co., Ltd. (鵬廈投資(深圳)有限責任公司, the "**Pengxia Shenzhen**"), an Independent Third Party, pursuant to which, we disposed our entire interests in Shenzhen Niuer Robot to Pengxia Shenzhen and Pengxia Shenzhen was obligated to settle the consideration of RMB6 million (representing the amount the Group previously contributed for the set-up of Shenzhen Niuer Robot) in any event. The consideration has been settled in June 2025 when Shenzhen Niuer Robot improved its performance. To the best knowledge of the Company, Pengxia Shenzhen prioritized its limited financial resources to support Shenzhen Niuer Robot rather than the immediate settlement of the disposal consideration. The consideration was determined based on the fact that Shenzhen Niuer Robot was at early development stage, it has not commenced mass production of any product, did not achieve profitability and was in negative net assets value position. The Company recognized gains from the disposal of Shenzhen Niuer Robot in 2023. See Note 5 of the Accountants' Report in Appendix I to this Prospectus.

Up to the time of the Company's disposal, Shenzhen Niuer Robot was at its early stage of development. It had successfully designed and launched its products and was testing and validating its products with its customers, and had generated some revenue, but was still in the stage of optimizing its product. It had neither commenced mass production of any product nor achieved profitability. Following the disposal, Shenzhen Niuer Robot obtained financial support from Pengxia Shenzhen to sustain its R&D and business development, upgraded its products and achieved breakthrough in technology and client testing/proving. With its products being recognized by customers, Shenzhen Niuer Robot started to procure considerable amounts of the Group's products at the end of 2024 to facilitate the mass production and delivery of its products in 2025. Furthermore, to the best knowledge of the Company, changing core components, i.e. the cobots procured from the Group following the successful client testing/proving may result in additional costs for Shenzhen Niuer Robot. In addition, the cobot industry underwent rapid development in recent years. The global cobot market grew from RMB2.5 billion in 2020 to RMB7.5 billion in 2024, achieving a CAGR of 32.0% during this period. China's cobot market exhibited high growth, expanding from RMB0.6 billion in 2020 to RMB2.2 billion in 2024, achieving a CAGR of 38.8% during this period. Shenzhen Niuer Robot is one of the top 5 customers of the Group for the year ended December 31, 2024 and the nine months ended September 30, 2025. See "Business — Our Customers."

Disposal of Neura Robotics

Neura Robotics GmbH (the "**Neura Robotics**") was established in Germany in March 2019. Upon establishment, it was owned as to 70% by our Group (and recognized as a joint venture) and 30% by Neura Robotics' actual controller based in Germany ("**Neura Robotics Shareholder**"). Neura Robotics focused on cognitive robots with a wide range of robotic offerings including Maira cognitive cobots, autonomous vehicle robot, Lara cognitive robots, family service robot and humanoid robot. The management of Neura Robotics specializes in software algorithm and sensors. Instead of focusing on R&D, design and manufacture of standardized products that can be readily adapted to diverse needs, Neura Robotics took a distinctive approach to the development of its collaborative robots by focusing on serving overseas customers' usage requirements and patterns, specific needs such as precision, safety standards, human-machine interface and operation software etc. (the "**Neura Focus**"). Leveraging on their expertise and under the Neura Focus, Neura Robotics procured the Group's high-performance products for further customized development under overseas customers' requirements.

Considering (i) the different business strategic directions as disclosed above; (ii) the R&D of Neura Robotics were valuable but demand considerable amount of funds to sustain. It was not in the best interests of the Company to make further investments in Neura Robotics; (iii) Neura Robotics faced challenging financing conditions, certain investors, who considered, among others, the profile of Neura Robotics, showed limited interest and cautious engagement; and (iv) upon disposal, the Company is no longer exposed to the risk associated with Neura Robotics. In June 2023, as requested and approved by our then Shareholders, we disposed of our entire interests in Neura Robotics to the Lingotto Opportunity Fund ILP, Primepulse SE, Vsquared Ventures II GmbH & Co. KG, HV Capital Fund IX Ventures GmbH & Co. geschlossene Investment KG, at a total consideration of €10,000,000. The total consideration involved was determined by arms' length negotiation and has been settled. Following the completion of such disposal, our Company ceased to hold any equity interests in Neura Robotics. The Company recognized gains from the disposal of Neura Robotics in 2023. See Notes 5 and 17 of the Accountants' Report in Appendix I to this Prospectus.

Following the disposal, Neura Robotics succeeded to raise sufficient funding to advance its R&D and business development. Its business scale therefore expanded and required more cobots/components from the Group. In addition, the cobot industry underwent rapid development in recent years. The global cobot market grew from RMB2.5 billion in 2020 to RMB7.5 billion in 2024, achieving a CAGR of 32.0% during this period. China's cobot market exhibited high growth, expanding from RMB0.6 billion in 2020 to RMB2.2 billion in 2024, achieving a CAGR of 38.8% during this period. Neura Robotics has been among the top 5 customers of the Group during the Track Record Period and was the largest customer of the Group for the year ended December 31, 2024 and the nine months ended September 30, 2025. See "Business — Our Customers."

Save for the procurement of our cobots by Neura Robotics as disclosed above, given the high-performance standards as required by Neura Robotics such as precision and stability, the Company follows Neura Robotics' technical requirements to integrate high-performance reducers into the products manufactured for it. These high-performance reducers are widely sold in German and, for reasons of convenience and favourable commercial terms due to bulk ordering, these reducers are procured by Neura Robotics and supplied to the Company. The Company has the discretion to integrate these high-performance reducers into products manufactured for other customers where applicable or appropriate. Neura Robotics was one of the top 5 suppliers of the Group during the Track Record Period. See "Business — Our Suppliers." In addition, there were amounts due from Neura Robotics when it was our associate as of December 31, 2022, which amounted to RMB84.0 million. Such amounts were non-trade in nature, unsecured and collectable within one year. Such amounts were in relation to loans provided by our Group to Neura Robotics to support its daily operations, bearing an interest rate of approximately 1.0% per annum, and had been settled in February 2025. See "Financial Information — Related Party Transactions."

Save as disclosed above, we have not conducted any acquisitions, disposals or mergers since our incorporation that we consider to be material to us. As advised by the PRC Legal Advisor, such disposals have obtained all material applicable regulatory approvals. Shenzhen Niuer Robot and Neura Robotics were not involved in any material non-compliance incidents from January 1, 2022 and up to their respective disposal date.

PRE-IPO INVESTMENTS

Details of the Pre-IPO Investments are summarized below:

Name of Pre-IPO Investor	Investment method	Date of contract	Date of settlement	Amount of share capital subscribed/ acquired	Consideration[2]	Cost per Share paid[3]	Discount to the Offer Price[4]
				(RMB)	*(RMB in millions)*	*(RMB)*	*(%)*
Series Angel Pre-IPO Investment (Pre-money valuation: N/A; Post-money valuation: RMB46.75 million)[5]							
Han's Laser	Subscribe for new registered share capital	September 7, 2017[1]	August 30, 2018	46,750,000	46.75	0.2	98.7%

Name of Pre-IPO Investor	Investment method	Date of contract	Date of settlement	Amount of share capital subscribed/ acquired	Consideration[2]	Cost per Share paid[3]	Discount to the Offer Price[4]
				(RMB)	*(RMB in millions)*	*(RMB)*	*(%)*
Series A Pre-IPO Investments (Pre-money valuation: RMB331.6 million; Post-money valuation: RMB426.6 million)[5][6]							
Fujian Min'an	Subscribe for new registered share capital	September 22, 2020	September 23, 2020	3,731,778	24.00		
Foshan Pengxia	Subscribe for new registered share capital	September 22, 2020	September 22, 2020	3,731,778	24.00		
Suzhou Tengxin	Subscribe for new registered share capital	September 22, 2020	September 24, 2020	2,332,362	15.00	1.29	91.4%
Zhongxiaodan.	Subscribe for new registered share capital	September 22, 2020	September 25, 2020	777,454	5.00		
Shenzhen Talent.	Subscribe for new registered share capital	September 22,2020	September 24, 2020	777,454	5.00		
Share transfer between Shareholders in 2021							
Shanghai Huaqi	Transfer from Zhirenxing	May 17, 2021	May 17, 2021	947,522	15.00[7]	3.17	78.9%

Name of Pre-IPO Investor	Investment method	Date of contract	Date of settlement	Amount of share capital subscribed/ acquired	Consideration[2]	Cost per Share paid[3]	Discount to the Offer Price[4]
				(RMB)	*(RMB in millions)*	*(RMB)*	*(%)*
Series B Pre-IPO Investments (Pre-money valuation: RMB1,500.0 million; Post-money valuation: RMB1,850.0 million)[5][8]							
Zhongshen Xinchuang	Subscribe for new registered share capital	June 10, 2021	June 11, 2021	6,632,653	150.00		
Zhucheng Zhaoying	Subscribe for new registered share capital	June 10, 2021	June 17, 2021	2,210,884	50.00		
Foshan Zhaoke	Subscribe for new registered share capital	June 10, 2021	June 22, 2021	2,210,884	50.00	4.52	69.9%
Yantai Xinzhen	Subscribe for new registered share capital	June 10, 2021	June 15, 2021	2,210,884	50.00		
Toposcend	Subscribe for new registered share capital	June 10, 2021	June 23, 2021	1,326,531	30.00		
Founder Securities.	Subscribe for new registered share capital	June 10, 2021	June 24, 2021	884,354	20.00		

Name of Pre-IPO Investor	Investment method	Date of contract	Date of settlement	Amount of share capital subscribed/ acquired	Consideration[2]	Cost per Share paid[3]	Discount to the Offer Price[4]
				(RMB)	*(RMB in millions)*	*(RMB)*	*(%)*
Series B+ Pre-IPO Investments (Pre-money valuation: RMB2,600.0 million; Post-money valuation: RMB2,750.4 million)[5][8]							
Guangdong Yuecai	Subscribe for new registered share capital	November 19, 2021	November 29, 2021	1,887,755	60.00		
Chuangying Jianke	Subscribe for new registered share capital	November 19, 2021	November 29, 2021	11,327	0.36	6.36	57.6%
Shenzhen Qielou	Subscribe for new registered share capital	November 19, 2021	November 29, 2021	1,887,755	60.00		
Wuxi Xindongneng	Subscribe for new registered share capital	November 19, 2021	November 30, 2021	943,878	30.00		
Share transfer between Shareholders in 2024							
Guoke Ruihua	Transfer from Zhirentuan	December 26, 2024	January 3, 2025	1,947,003	49.50[9]		
Baoshi Xinqiao	Transfer from Zhirentuan	December 26, 2024	January 3, 2025	1,947,003	49.50[9]	5.08	66.1%
CAS Zhengdao	Transfer from Zhirentuan	December 26, 2024	January 3, 2025	39,332	1.00[9]		

Name of Pre-IPO Investor	Investment method	Date of contract	Date of settlement	Amount of share capital subscribed/ acquired	Consideration[2]	Cost per Share paid[3]	Discount to the Offer Price[4]
				(RMB)	*(RMB in millions)*	*(RMB)*	*(%)*
Share transfer between Shareholders in 2025							
Shenzhen Qunte	Transfer from Foshan Pengxia	April 30, 2025	May 7, 2025	373,266	9.49[10]		
	Transfer from Guangdong Yuecai	May 23, 2025	May 23, 2025	2,547,658	21.83[10]		
Shenzhen Shuohang	Transfer from Foshan Pengxia	April 30, 2025	May 7, 2025	373,266	9.49[10]		
	Transfer from Guangdong Yuecai	May 23, 2025	May 23, 2025	1,284,112	11.01[10]	6.86	54.2%
	Transfer from Chuangying Jianke	May 23, 2025	May 23, 2025	28,318	0.24[10]		
Liu Hong	Transfer from Foshan Pengxia	April 30, 2025	May 7, 2025	172,786	4.39[10]		
	Transfer from Guangdong Yuecai	May 23, 2025	May 23, 2025	887,617	7.61[10]		
Mr. Liang Jianhong	Transfer from Shenzhen Tianle[11]	May 26, 2025	May 27, 2025	18,804,660	42.0	2.23	85.1%

Notes:

(1) Refers to the establishment date of the Company.

(2) In respect of subscription of new registered share capital of the Company, the consideration was determined after arm's length negotiations between the Company and the Pre-IPO Investors with reference to the status of milestones and prospects of commercialization of our specialist technology products, the overall industry status, the timing of the investments, the market value, and the prospects of our business etc.

(3) For purpose of joint stock conversion, our registered share capital of RMB86,533,436 was divided into 432,667,180 Shares, representing an enlargement of five times. See "— Corporate Development — Joint Stock Conversion" in this section for details. For purpose of presenting the cost per Share paid on a comparable basis especially on a consistent basis with the current Shares of our Company, the cost per Share paid is calculated by dividing the total consideration by five times of the total amount of registered share capital subscribed or acquired.

(4) The discount to the Offer Price is calculated based on the Offer Price of HK$17.0 per H Share.

(5) In respect of subscription of new registered share capital of the Company, the post-money valuation is calculated by dividing the total consideration for the subscription of the Company's issued share capital under the relevant round of the Pre-IPO Investment by the percentage of the newly subscribed Company's issued share capital at the relevant time. The pre-money valuation is calculated by excluding the total consideration for such subscription from the post-money valuation under the relevant round of the Pre-IPO Investment. Such implied valuation of our Company has been increasing along with our rapid business development.

(6) The principal reasons for the increase in valuation from the Series Angel Pre-IPO Investment to Series A Pre-IPO Investment was mainly due to the commencement of mass production of our Elfin-Basic cobots and our core motion components in 2018.

(7) Calculated by dividing the total consideration for such equity transfer by the percentage of the Company's issued share capital transferred at the relevant time, the pre-money and post-money valuation of the Company is RMB1,050.0 million. To the best knowledge of the Company, the consideration for such equity transfer between Shareholders was determined after arm's lengths negotiations taking into consideration the Company's then valuation, business and prospects, as well as timing of the transaction. Our Company was not involved in such negotiation between Shareholders.

(8) The principal reasons for the increase in valuation from the Series A Pre-IPO Investment to Series B Pre-IPO Investment was mainly due to (i) the general increase of market size of the robot market and cobot market in China and the increasing market and industry recognition of robotic technology, and (ii) the successful commercialization of the products of the Company, contributing to the doubling of the Company's revenue from 2020 to 2021. The principal reasons for the increase in valuation from the Series B Pre-IPO Investment to Series B+ Pre-IPO Investment was mainly due to the participation of prominent investors. Zhongshen Xinchuang, one of our Pathfinder SIIs, invested in our Company in the Series B Pre-IPO Investment, which demonstrated investors' confidence and also attracted further investments.

(9) Calculated by dividing the total consideration for such equity transfer by the percentage of the Company's issued share capital transferred at the relevant time, the pre-money and post-money valuation of the Company is RMB2,200.0 million. To the best knowledge of the Company, the consideration for such equity transfer between shareholders was determined after arm's lengths negotiations taking into consideration their investment cost, the Company's then valuation, business and prospects, timing of the transaction and their own capital needs. Our Company was not involved in such negotiation between Shareholders.

(10) Calculated by dividing the total consideration for such equity transfer by the percentage of the Company's issued share capital transferred at the relevant time, the pre-money and post-money valuation of the Company is RMB2,966.2 million. To the best knowledge of the Company, the consideration for such equity transfer between shareholders was determined after arm's lengths negotiations taking into consideration their investment cost, the Company's then valuation, business and prospects, timing of the transaction and their own capital needs. Our Company was not involved in such negotiation between Shareholders.

(11) Shenzhen Tianle refers to Shenzhen Tianle Investment Consulting Partnership (Limited Partnership) (深圳添樂投資顧問合夥企業(有限合夥)), who was our Series A Pre-IPO Investor. Mr. Liang Jianhong is the general partner of Shenzhen Tianle holding approximately 33.33% partnership interests therein, with the remaining partnership held by his close associates. On May 26, 2025, Shenzhen Tianle entered into a share transfer agreement with Mr. Liang Jianhong, pursuant to which, Shenzhen Tianle transferred all his equity interests in the Company to Mr. Liang Jianhong. Following the completion of such transfer, Shenzhen Tianle ceased to be a Shareholder.

At the time of the Pre-IPO Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-IPO Investors' investments in our Company, and that the Pre-IPO Investors' investments in our Company demonstrated their confidence in our Group's operations and served as an endorsement of our Group's performance, strengths and prospects.

Use of Proceeds from the Pre-IPO Investments

As of the Latest Practicable Date, all of the net proceeds from the Pre-IPO Investments had been utilized for our general operation and business development.

Special Rights of Our Pre-IPO Investors

In connection with the Pre-IPO investments, our Pre-IPO Investors were previously granted certain special rights information rights, no more favourable terms and tag-along rights, redemption right, and liquidation right etc (the "**Special Rights**"). In anticipation of the Global Offering, pursuant to a shareholder special rights termination agreement dated April 30, 2025 (the "**Termination Agreement**"), all such special rights have been terminated prior to the date of our first submission of the Listing application to the Stock Exchange and have never been exercised. In particular, the redemption rights granted by the Company to the Pre-IPO Investors were permanently and irrevocably terminated and shall be *void ab initio* pursuant to the Termination Agreement. Special rights such as information rights, no more favourable terms and tag-along rights and redemption rights granted by the Controlling Shareholders etc. shall resume to be exercisable upon the occurrence of (i) the Listing not being approved by relevant regulatory authorities; (ii) the rejection, return or withdraw of the Listing application; or (iii) 18 months following the submission of the Listing application. During the Track Record Period, no Pre-IPO Investors have exercised their redemption rights. For details, please refer to notes 31 and 38 of the Accountants' Report.

As confirmed by the Company, save as disclosed above, (i) there are no other side arrangements between the Company and the Pre-IPO Investors or between the Company and the Controlling Shareholders regarding the redemption rights granted to the Pre-IPO Investors; (ii) the Company did not provide any guarantee on the redemption rights granted by the Controlling Shareholders in case of default by the Controlling Shareholders. As confirmed by the Controlling Shareholders, save as disclosed above, there are no other side agreements between the Controlling Shareholders and the Pre-IPO Investors regarding the redemption rights granted to the Pre-IPO Investors. Considering that the Company has no obligation to repurchase the Shares held by the Pre-IPO Investors, no redemption liability was recorded during the Track Record Period. For details, please refer to notes 31 and 38 of the Accountants' Report.

Article 143 of the Civil Code of the People's Republic of China (中華人民共和國民法典) stipulates that a civil legal act is valid if it is conducted by parties with the requisite capacity for civil conduct, is based on genuine intent, and does not contravene mandatory provisions of laws, administrative regulations, or public order and morals. The Special Rights have never been exercised. Each party of the Termination Agreement has the corresponding civil capacity, their intentions are genuine, and the signing of such agreements does not fall under other circumstances stipulated in the Civil Code of the People's Republic of China (中華人民共和國民法典) that would render civil legal acts invalid or revocable. Based on the above, the PRC Legal Advisors are of the view that the Termination Agreement regarding the termination of the Special Rights does not violate PRC mandatory provisions of laws and administrative regulations or go against public order and good moral, and the Termination Agreement regarding the termination of redemption rights previously granted by the Company to the Pre-IPO Investors to be retroactive to the date on which the relevant investment agreements were respectively signed and no longer be legally binding and effective on the relevant parties are legally binding.

Compliance with the Guide for New Listing Applicants

On the basis that (i) the considerations for the Pre-IPO Investments will be settled 120 clear days before the Listing Date, and (ii) all the special rights granted to the Pre-IPO Investors have been terminated, the Joint Sponsors confirm that the Pre-IPO investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants. In particular, to understand whether the redemption rights granted by the Company to the Pre-IPO Investors had been irrevocably terminated and shall be *void ab initio*, the Joint Sponsors have, among others: (i) reviewed the Termination Agreement; (ii) discussing with the PRC Legal Advisors and the Joint Sponsors' PRC legal advisors to understand the treatment of the redemption rights granted by the Company to the

Pre-IPO Investors under PRC laws; and (iii) discussed with the Reporting Accountant to understand their audit procedures performed in this regard. Based on the due diligence work conducted, nothing has come to the attention of the Joint Sponsors that would cause them to cast reasonable doubt on the Company's and the PRC Legal Advisors' views above.

Information regarding Our Pre-IPO Investors

Set out below is a description of our Pre-IPO Investors. Among our Pre-IPO Investors, we have three Sophisticated Independent Investors, all of which respectively held more than 3.0% of the total issued Shares of the Company as of the Latest Practicable Date and throughout the pre-application 12-month period.

Our Pathfinder SIIs

Han's Laser

Han's Laser, our Series Angel Pre-IPO Investor, is a joint stock company listed on the Shenzhen Stock Exchange (stock code: 002008) and one of the leading intelligent manufacturing equipment and industrial automation solution providers. Han's Laser operates in, among others, the industrial robot system integration industry.

Han's Laser is a pure investor in the Company and not a founder of the Company, and satisfies the independence requirement under section D of Chapter 2.5 of the Guide. In particular, (i) as the Series Angel Pre-IPO Investor, Han's Laser undertook to our Founders before the establishment of our Company to sell down its equity interests in the Company and support a management buyout under certain conditions. Further, Han's Laser undertook it would not be involved in the operation (including R&D, manufacture and sales) of the Company. Following the completion of the MBO and the Series A Pre-IPO Investments in May 2021, the equity interests held by Han's Laser in our Company reduced to 22.79% and Han's Laser had realised an investment return through the MBO. Save for the MBO related arrangements, there's no other agreement, understanding, undertaking or other arrangement with respect to the Company between Han's Laser and the Mr. Wang/Mr. Zhang that would affect the independence of Han's Laser as Pathfinder SII under section D of Chapter 2.5 of the Guide. (ii) the transactions between Han's Laser and the Group (a) are in the ordinary course of business of the Company under normal commercial terms, (b) are commercially reasonable and logical given the market positioning of both Han's Laser and the Company; and (c) does not create any material reliance issue between the Company and Han's Laser. See "Connected Transactions." (iii) Han's Laser has not been and will not be involved in the daily operations and management of the Company, whether in its capacity as a Pre-IPO Investor or a customer/supplier of the Company.

As at January 1, 2022 (i.e. the beginning of the Track Record Period), Han's Laser held approximately 18.48% of the total issued share capital of the Company, and as of the Latest Practicable Date, its shareholding percentage was diluted to approximately 16.77%. As advised by Frost & Sullivan, Han's Laser is a key participant in the downstream industrial robot system integration industry in PRC in terms of revenue in 2024. The industrial robot system integration industry is heavily fragmented with thousands of market players. In terms of revenue, Han's Laser was the second largest industrial robot system integration manufacturer in PRC market in 2024, with a market share of 2.6%. In compliance with Rule 18C.05 of the Listing Rules, Han's Laser held approximately 16.77% and 17.47% of the total issued share capital of the Company, as of May 30, 2025 (being the date of the first submission of the Company's first listing application) and May 30, 2024 (being the commencement date of the pre-application 12-month period), respectively.

Zhongshen Xinchuang

Zhongshen Xinchuang is a limited partnership established under the laws of the PRC and operated under the brand of Youshan Capital (優山資本). Founded in 2020, Youshan Capital specializes in Specialist Technology investments and principally invests in technology industry including high-end equipment manufacturing, new energy, AI, new material, semiconductor and other technologies. The general partner of Zhongshen Xinchuang is Shenzhen Youyue Consulting

Partnership Enterprise (Limited Partnership) (深圳優岳諮詢合夥企業(有限合夥), the "**Shenzhen Youyue**"). None of the 18 limited partners of Zhongshen Xinchuang holds 30% or more partnership interests therein and each of them is an Independent Third Party. The largest limited partner of Zhongshen Xinchuang is Shenzhen FoF Investment Co., Ltd. (深圳市引導基金投資有限公司) which is wholly owned by Finance Bureau of Shenzhen Municipality (深圳市財政局). The general partner of Shenzhen Youyue is Youshan Venture Capital Fund Management (Shenzhen) Co., Ltd. (優山創業投資基金管理(深圳)有限公司) ("**Youshan Fund Management**"), a limited liability company controlled and owned as to 95% by Mr. Chen Yingjiu (陳迎九), an Independent Third Party, who assigned and has been working with a professional management team to manage and operate Youshan Fund Management, and is controlled and owned as to 5% by Dr. Fang Bin. Youshan Fund Management is the fund manager of Zhongshen Xinchuang. Pursuant to the partnership agreement of Zhongshen Xinchuang, its investment committee (the "**Zhongshen Xinchuang Investment Committee**") is vested with power to approve external investment and investment exit for Zhongshen Xinchuang. All resolutions passed by the Zhongshen Xinchuang Investment Committee shall be approved by at least four members. The Zhongshen Xinchuang Investment Committee consists of five members, all of which are ultimately nominated by Youshan Capital, and four of which are management team of Youshan Capital, one is a representative of a limited partner of Zhongshen Xinchuang. Therefore, the investment decisions of Zhongshen Xinchuang are in actual control of Youshan Capital.

In addition to Zhongshen Xinchuang, Youshan Capital (優山資本) also manages Yantai Youhai Equity Investment Fund Partnership (Limited partnership) (煙臺優海股權投資基金合夥企業(有限合夥), the "**Yantai Investment**") and Yiwu Industry Investment Equity Investment Partnership (Limited partnership) (義烏市產投股權投資合夥企業(有限合夥), the "**Yiwu Investment**", together with the Zhongshen Xinchuang and Yantai Investment, the "**Youshan Managed Funds**"). The fund manager of both Yantai Investment and Yiwu Investment is Youshan Fund Management. Pursuant to the partnership agreement of Yantai Investment, its investment committee (the "**Yantai Investment Committee**") is the sole investment decision-making body and is vested with the power to approve investment and investment exit for Yantai Investment. The Yantai Investment Committee consists of three members, all of which are management team of Youshan Capital. All resolutions passed by the Yantai Investment Committee shall be approved by at least half of its members. Therefore, the investment decision of Yantai Investment is in actual control of Youshan Capital. According to the partnership agreement of Yiwu Investment, its investment committee (the "**Yiwu Investment Committee**") is empowered to make all investment and investment exit decisions for Yiwu Investment. The Yiwu Investment Committee consists of five members, three out of which are nominated by Youshan Capital, the remaining two members are nominated by a limited partner of Yiwu Investment. All investment and investment exit decisions shall be approved by at least four members of the Yiwu Investment Committee. It is Youshan Capital that is in substance seeking, conducting due diligence investigation over, and evaluating the potential investment targets, as well as implementation of the investment project etc. There have been no proposed investment projects presented by Youshan Capital to the Yiwu Investment Committee ever been rejected by Yiwu Investment Committee since the establishment of Yiwu Investment. As such, all investment decisions and projects since the establishment of Yiwu Investment up to date of this Prospectus were ultimately carried out by and in the actual control of Youshan Capital. Upon reviewing of the relevant partnership agreements of Youshan Managed Funds and discussions with Youshan Fund Management, nothing has come to the attention of the Joint Sponsors to cast doubt on the Company's conclusion that Youshan Fund Management has been de facto responsible for making all the investment decisions of the Youshan Managed Funds since their respective establishment.

As of the Latest Practicable Date, Zhongshen Xinchuang held approximately 7.36% of the total issued share capital of our Company. The assets under management ("**AUM**") of Youshan Fund Management stemming from the investments made by Youshan Managed Funds was approximately HKD1.87 billion as of March 31, 2021 (being a date not more than six months prior to the date on which Zhongshen Xinchuang signed the relevant definitive agreement for its investment in our Company), and approximately HKD5.15 billion as of December 31, 2024 which are derived primarily from the valuation of their investments in Specialist Technology Companies in the sectors of next-generation information technology, advanced hardware and software, advanced materials and new energy and environmental protection. The swift growth of the AUM of Youshan Fund

Management is mainly driven by the expertise of its professional management team who are experienced in investments with in-depth understanding of the industries. Leveraging on the investment capabilities of Youshan Fund Management, Youshan Managed Funds have successfully invested in a number of high-potential companies at early growth phases, achieving significant valuation multiples, and invested in a number of companies with great potential, the business, revenue and profitability of which have achieved solid expansion/increase. As of December 31, 2024, under the operation and management of Youshan Fund Management, Youshan Managed Funds have made 50 investments. In compliance with Rule 18C.05 of the Listing Rules, Zhongshen Xinchuang held approximately 7.36% and 7.66% of the total issued share capital of our Company, as of May 30, 2025 (being the date of the first submission of the Company's listing application) and May 30, 2024 (being the commencement date of the pre-application 12-month period), respectively.

China Merchants Investors

Zhucheng Zhaoying and Foshan Zhaoke are limited partnerships established under the laws of the PRC and managed by their respective general partners, Shenzhen China Merchants Yingkui Equity Investment Fund Management Co., Ltd. (深圳市招商盈葵股權投資基金管理有限公司) and Shenzhen Merchants Zhaoke Capital Management Co., Ltd. (深圳市招商招科資本管理有限責任公司), which are indirect wholly-owned subsidiaries of China Merchants Capital Investment Co., Ltd. (招商局資本投資有限責任公司) ("**China Merchants Capital**"). China Merchants Capital is a joint venture held by China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司) and GLP Capital Investment 5 (HK) Limited as to 50% and 50%, respectively. China Merchants Financial Holdings Co., Ltd. is an indirect wholly-owned subsidiary of China Merchants Group Limited (招商局集團有限公司), which is in turn wholly owned by the State Council. GLP Capital Investment 5 (HK) Limited is ultimately controlled by GLP Pte. Ltd. (普洛斯集團), an Independent Third Party, which is a leading global industrial services and investment company with a focus on logistics, digital infrastructure and renewable energy. China Merchants Capital focuses on investing in areas including life sciences, digital technology and artificial intelligence, and green technology. The largest limited partner of Zhucheng Zhaoying holding approximately 49.59% partnership interests therein is Zhucheng Zhengshuo Equity Investment Partnership (Limited Partnership) (諸城市正碩股權投資合夥企業(有限合夥)) whose general partner is Shandong Longjia Equity Investment Fund Management Co., Ltd. (山東隆嘉股權投資基金管理有限公司), a company ultimately wholly owned by Zhucheng State Assets Supervision and Administration Bureau (諸城市國有資產監督管理局). The largest limited partner of Foshan Zhaoke holding 34.29% partnership interests therein is Shenzhen Inovance Technology Co., Ltd. (深圳市匯川技術股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300124). None of the other limited partners of Zhucheng Zhaoying and Foshan Zhaoke, all of which are Independent Third Parties, holds 30% or more partnership interests therein, respectively.

As of the Latest Practicable Date, Zhucheng Zhaoying and Foshan Zhaoke (the "**China Merchants Investors**") held, in aggregate, approximately 4.91% of the total issued share capital of our Company. The AUM of China Merchants Capital was approximately RMB280.0 billion as of December 31, 2020 (being a date not more than six months prior to the date on which China Merchants Investors signed the relevant definitive agreement for their investment in our Company), and exceeded RMB300.0 billion as of December 31, 2024, respectively. As each of China Merchants Investors is ultimately managed by China Merchants Capital whose AUM meets the threshold set out in paragraph 21(i) under Chapter 2.5 of the Guide for New Listing Applicants, the different shareholding entities are purely different funds managed by the same entity and should be aggregated as one Pathfinder SII pursuant to Chapter 2.5 of the Guide for New Listing Applicants and China Merchants Investors qualify as Sophisticated Independent Investors. In compliance with Rule 18C.05 of the Listing Rules, China Merchants Investors held approximately 4.91% and 5.11% of the total issued share capital of our Company, as of May 30, 2025 (being the date of the first submission of the Company's listing application) and May 30, 2024 (being the commencement date of the pre-application 12-month period), respectively.

Our Pathfinder SIIs, in aggregate, held approximately 29.03% and 30.24% of the total issued share capital of the Company, as of May 30, 2025 (being the date of the first submission of the Company's first listing application) and May 30, 2024 (being the commencement date of the pre-application 12-month period), respectively.

Our Other Pre-IPO Investors

CAS Investors

Guoke Ruihua and Baoshi Xinqiao are limited partnerships established under the laws of the PRC and managed by their general partner, CAS Investment Management Co., Ltd. (中國科技產業投資管理有限公司) ("**CAS Investment**"). CAS Investment is owned by Beijing CAS Caijun Consulting Co., Ltd. (北京國科才俊諮詢有限公司), Chinese Academy of Sciences Holdings Co., Ltd. (中國科學院控股有限公司) as to 32.52% and 30.01%, respectively. None of the other five shareholders of CAS Investment holds more than 15% equity interests in CAS Investment. Beijing CAS Caijun Consulting Co., Ltd. is owned by 12 individual investors who are Independent Third Parties, each holding less than 30% of the equity interests therein. Chinese Academy of Sciences Holdings Co., Ltd. is wholly owned by Chinese Academy of Sciences (中國科學院).

Guoke Ruihua has 11 limited partners, including (i) Dajia Life Insurance Co., Ltd. (大家人壽保險股份有限公司) (ultimately majority-owned by the Ministry of Finance of the PRC) which holds approximately 22.22% partnership interests therein, (ii) Beijing CAS Borun Information Industry Center (Limited Partnership) (北京國科博潤信息產業中心(有限合夥)) ("**CAS Borun**") (a limited partnership managed by CAS Ruihua (Shenzhen) Technology Co., Ltd. (國科瑞華(深圳)科技有限公司) as its general partner), which holds approximately 10.22% partnership interests therein, and (iii) Beijing Economic-Technological Development Area Government Investment Guidance Fund (Limited Partnership) (北京經濟技術開發區政府投資引導基金(有限合夥) (a limited partnership managed by Beijing Yizhuang International Industrial Investment Management Co., Ltd. (北京亦莊國際產業投資管理有限公司) as its general partner) which holds 13.33% partnership interests therein. None of the other limited partners of Guoke Ruihua, all of which are Independent Third Parties, holds more than 20% of the partnership interests therein.

Baoshi Xinqiao has 11 limited partners, including (i) CAS Borun, which holds 24.89% partnership interests therein, (ii) Shenzhen Bao'an District Industrial Investment Guidance Fund Co., Ltd. (深圳市寶安區產業投資引導基金有限公司), which holds 16.67% partnership interest therein, (iii) China Cultural Industry Investment Fund Phase II (Limited Partnership) (中國文化產業投資基金二期(有限合夥)), which holds 15.56% partnership interest therein, and (iv) Taibao Changhang Equity Investment Fund (Wuhan) Partnership (Limited Partnership) (太保長航股權投資基金(武漢)合夥企業(有限合夥)) (a limited partnership managed by Taibao Private Equity Fund Management Co., Ltd. (太保私募基金管理有限公司) as its general partner), which holds 13.33% partnership interests therein. None of the other limited partners of Baoshi Xinqiao, all of which are Independent Third Parties, holds more than 10% of the partnership interests therein.

Mr. Liang Jianhong (梁建宏)

Mr. Liang Jianhong, an Independent Third Party, is an individual Pre-IPO Investor who from time to time participates in various investment opportunities with a primary focus in China.

Fujian Min'an

Fujian Min'an is a limited partnership established under the laws of the PRC and managed by its general partner, Mr. Liu Anmin (劉安民), the general manager of an asset management firm and an Independent Third Party. Except for Mr. Wang Jiening (汪傑寧), an Independent Third Party, who is a limited partner of Fujian Min'an holding 33.33% partnership interest therein, none of the other limited partners of Fujian Min'an holds 30% or more partnership interest in Fujian Min'an and each of them is an Independent Third Party. Mr. Wang Jiening is an individual investor from time to time participates in equity investment in PRC.

Suzhou Tengxin

Suzhou Tengxin is a limited partnership established under the laws of the PRC and managed by its general partner, Shenzhen Qianhai Sihai New Material Investment Fund Management Co., Ltd. (深圳市前海四海新材料投資基金管理有限公司), a limited liability company controlled and owned as to 70% by Shenzhen Tengsong Venture Capital Co., Ltd. (深圳市藤松創業投資有限公司). The largest shareholder of Shenzhen Tengsong Venture Capital Co., Ltd. holding 47.49% share equity therein is Shenzhen Ruisi Huizhi Technology Co., Ltd. (深圳市睿思匯智科技有限公司), a limited liability company owned as to 95% by Shenzhen Ruisi Enterprise Investment Co., Ltd. (深圳市睿思企業投資有限公司), which is in turn owned as to 80% by Ms Ye Sisi (葉思思), an Independent Third Party. None of the limited partners of Suzhou Tengxin holds 30% or more partnership interest in Suzhou Tengxin and each of them is an Independent Third Party.

Yantai Xinzhen

Yantai Xinzhen is a limited partnership established under the laws of the PRC and managed by its general partner, Ningbo Kunlun Xinyuan Equity Investment Management Partnership (Limited Partnership) (寧波昆侖信元股權投資管理合夥企業(有限合夥)), whose general partner is Kunlun Trust Co., Ltd. (昆侖信託有限責任公司). Kunlun Trust Co., Ltd. is a limited liability company controlled and owned as to 87.18% by CNPC Assets Management Co., Ltd. (中油資產管理有限公司), which is ultimately wholly owned by CNPC Capital Company Limited (中國石油集團資本股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000617). Kunlun Trust Co., Ltd. is also a limited partner of Yantai Xinzhen holding 71.11% partnership interest therein. Except for Kunlun Trust Co., Ltd., none of the other limited partners of Yantai Xinzhen holds 30% or more partnership interest in Yantai Xinzhen and each of them is an Independent Third Party.

SIHC Investors

Zhongxiaodan is a limited liability company incorporated under the laws of the PRC and wholly owned by Shenzhen Guarantee Group Co., Ltd. (深圳擔保集團有限公司), which is in turn owned as to 51% by Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司) ("**SIHC**"). None of the other two shareholders of Shenzhen Guarantee Group Co., Ltd. holds more than one 30% equity interests therein.

Shenzhen Talent is a limited partnership established under the laws of the PRC and managed by its general partner Shenzhen Zhongxiaodan Talent Equity Investment Fund Management Co., Ltd. (深圳市中小擔人才股權投資基金管理有限公司), which is owned as to 49% by Shenzhen Guarantee Group Co., Ltd. as its largest shareholder. None of the other 14 shareholders of Shenzhen Zhongxiaodan Talent Equity Investment Fund Management Co., Ltd. holds more than 10% equity interests therein. Shenzhen Talent has ten limited partners, including (i) Shenzhen Guiding Fund Investment Co., Ltd. (深圳市引導基金投資有限公司) (wholly-owned by the Shenzhen Municipality Finance Bureau (深圳市財政局)), which holds 30% partnership interests therein, and (ii) Shenzhen Guarantee Group Co., Ltd (深圳擔保集團有限公司) (which is owned as to approximately 51.86% by Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司), a company wholly owned by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會)), which holds 17.48% partnership interests therein. None of the other limited partners of Shenzhen Talent, all of which are Independent Third Parties, holds more than 10% of the partnership interests therein.

Toposcend is a limited partnership established under the laws of the PRC and managed by its general partner, Shenzhen Toposcend Capital Co., Ltd. (深圳市投控東海投資有限公司), which is controlled and owned as to 64.38% by SIHC. None of the other three shareholders of Shenzhen Toposcend Capital Co., Ltd. holds more than 15% equity interests therein. Toposcend has four limited partners, including (i) Shenzhen Investment Bay Area Equity Investment Fund Partnership (Limited Partnership) (深圳投控灣區股權投資基金合夥企業(有限合夥)) (the general partner of which is ultimately wholly owned by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government), which holds 51.02% of the partnership interests therein, and (ii) Shenzhen Guiding Fund Investment Co., Ltd., which holds 25.51% partnership interests therein. None of the other limited partners of Toposcend, all of which are Independent Third Parties, holds more than 20% of the partnership interests therein.

SIHC is wholly owned by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government. As of the Latest Practicable Date, Zhongxiaodan, Shenzhen Talent and Toposcend held, in aggregate, 3.20% of the total issued share capital of the Company.

Foshan Pengxia

Foshan Pengxia is a limited partnership established under the laws of PRC and managed by its general partner, Mr. Tan Fugen (譚福根), an Independent Third Party. None of the limited partners of Foshan Pengxia holds 30% or more partnership interest in Foshan Pengxia and each of them is an Independent Third Party. Mr. Tan Fugen is an entrepreneur who also from time to time participates in equity investment in PRC.

Yuecai Investors

Guangdong Yuecai and Chuangying Jianke are limited partnerships established under the laws of PRC and managed by their respective general partners, Guangdong Finance Fund Management Co., Ltd. (廣東粵財基金管理有限公司) and Guangdong Yuecai Venture Capital Co., Ltd. (廣東粵財創業投資有限公司), which are wholly owned by Guangdong Yuecai Investment Holdings Co., Ltd. (廣東粵財投資控股有限公司) ("**Yuecai Investment Holdings**"). Yuecai Investment Holdings is owned by the People's Government of Guangdong Province (廣東省人民政府) and the Department of Finance of Guangdong Province (廣東省財政廳) as to 94.60% and 5.40%, respectively. Yuecai Investment Holdings is also the only limited partner of Guangdong Yuecai holding 98.04% partnership interest therein. None of the limited partners of Chuangying Jianke holds 30% or more partnership interest in Chuangying Jianke and each of them is an Independent Third Party. As of the Latest Practicable Date, Guangdong Yuecai and Chuangying Jianke held, in aggregate, 1.05% of the total issued share capital of the Company.

Shenzhen Qielou

Shenzhen Qielou is a limited partnership established under the laws of the PRC and managed by its general partner, Ms. Ding Yi (丁一), an Independent Third Party. Except for Mr. Jiang Renfei (姜任飛), an Independent Third Party who is a limited partner of Shenzhen Qielou holding 58.13% partnership interest therein, none of the other limited partners of Shenzhen Qielou holds 30% or more partnership interest therein and each of them is an Independent Third Party. Ms. Ding Yi and Mr. Jiang Renfei are individual investors who from time to time participate in equity investment in PRC.

Investors controlled by Mr. Tan Zhaolin

Shanghai Huaqi is a limited partnership established under the laws of the PRC and managed by their general partner, Mr. Tan Zhaolin (譚兆林), an Independent Third Party. None of the limited partners of Shanghai Huaqi holds 30% or more partnership interest therein and each of them is an Independent Third Party. Shenzhen Qunte is a limited liability company incorporated under the laws of the PRC and owned by Mr. Tan Zhaolin as to 80%. Mr. Tan Zhaolin is an individual investor who from time to time participates in equity investment. As of the Latest Practicable Date, Shanghai Huaqi and Shenzhen Qunte held, in aggregate, 2.03% of the total issued share capital of the Company.

Wuxi Xindongneng

Wuxi Xindongneng is a limited partnership established under the laws of the PRC and is managed by its general partner, Wuxi Xintou Jinshi Venture Capital Management Co., Ltd. (無錫新投金石創業投資管理有限公司), a wholly-owned subsidiary of Wuxi National Hi-Tech District Venture Capital Holding Group Co., Ltd. (無錫市高新區創業投資控股集團有限公司), which is ultimately wholly owned by the People's Government of Wuxi City Xinwu District (無錫市新吳區人民政府). Wuxi National Hi-Tech District Venture Capital Holding Group Co., Ltd. is also a limited partner of Wuxi Xindongneng holding 74.38% partnership interest therein. Save for Wuxi National Hi-Tech District Venture Capital Holding Group Co., Ltd., none of the other limited partners of Wuxi Xindongneng holds 30% or more partnership interest therein and each of them is an Independent Third Party.

Founder Securities

Founder Securities is a limited liability company incorporated under the laws of the PRC and wholly owned by Founder Securities Co., Ltd. (方正證券股份有限公司), which is a securities company listed on the Shanghai Stock Exchange (stock code: 601901).

Shenzhen Shuohang

Shenzhen Shuohang is a limited partnership established under the laws of the PRC and managed by its general partner, Ms. Sun Wanping (孫莞萍), an individual investor and Independent Third Party. None of the limited partners of Shenzhen Shuohang holds 30% or more partnership interest in Shenzhen Shuohang and each of them is an Independent Third Party.

Ms. Liu Hong (劉宏)

Ms. Liu Hong, an Independent Third Party, is an individual Pre-IPO Investor who from time to time participates in various investment opportunities with a primary focus in China.

CAS Zhengdao

CAS Zhengdao is a limited partnership established under the laws of the PRC and managed by its general partner, Ms. Wangwei (王瑋), an Independent Third Party. CAS Zhengdao has 38 individual limited partners, none of whom holds 30% or more partnership interest in CAS Zhengdao.

Meaningful Investment from Sophisticated Independent Investors

We have received investments from three Pathfinder SIIs, namely Han's Laser, Zhongshen Xinchuang and China Merchants Investors, each having invested in the Group for at least 12 months prior to the first submission of our listing application to the Stock Exchange for the purpose of the Global Offering. In accordance with Chapter 2.5 of the Guide, each of Han's Laser, Zhongshen Xinchuang and China Merchants Investors held more than 3%, and in aggregate more than 10%, of the issued share capital of our Company as of the date of our listing application and throughout the pre-application 12-months period. For details of the shareholding percentage in our Company's share capital of each of the Sophisticated Independent Investors, see "— Capitalization of our Company."

As of the Latest Practicable Date, our Sophisticated Independent Investors held, in aggregate, approximately 29.03% in the total issued share capital of our Company. Upon the Listing, such Sophisticated Independent Investors will hold, in aggregate, no less than 20% in the total issued share capital of our Company, assuming that our expected market capitalization at the time of Listing will be more than HK$4 billion but less than HK$15 billion.

PRC LEGAL ADVISOR'S CONFIRMATION

As advised by our PRC Legal Advisor, the abovementioned equity transfers involving our Shares, increase in share capital and conversion from a limited liability company to a joint stock company with limited liability have been properly and legally completed in all material respects and all requisite regulatory approvals have been obtained in accordance with the applicable PRC laws and regulations in all material respects.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, the Shares held by our existing Shareholders (including our Pre-IPO Investors) are subject to a lock-up period of 12 months after the Listing Date.

In addition, the following Shares will be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules at the time of the Listing:

Name	Capacity	Aggregate number of Shares held immediately following the completion of the Global Offering(1)	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the Global Offering(1)	Lock-up period
Key persons and their close associates				
Mr. Wang	Founder, executive Director, chairperson of the Board, general manager and core R&D member	14,218,750	2.68%	Commencing on the date of this Prospectus and ending on expiry of 12 months from the Listing Date(10)
Mr. Zhang	Founder, executive Director, chief technology officer and core R&D member	2,031,250	0.38%	
Zhirentuan(1)	Entity ultimately controlled and managed by Mr. Wang	113,107,850	21.28%	
Zhirenxing(2)(5)		18,950,440	3.57%	
Xianzhikong(3)		7,774,540	1.46%	
Zhirenying(4)		3,659,970	0.69%	
Zhirenxue(2)(6)		8,617,800	1.62%	
Zhirenju(2)(7)		2,500,000	0.47%	
Zhirenle(2)(8)		5,000,000	0.94%	
Zhirenyun(2)(9)		1,910,000	0.36%	

Notes:

(1) As co-founders, Mr. Wang and Mr. Zhang decided to hold majority of their interest in the Company via a partnership (i.e. Zhirentuan) with both of them involved as partners, to enable the consolidation and stabilization of the founders' voting rights, thereby enhancing corporate governance alignment. Mr. Wang and Mr. Zhang, as limited partners, hold approximately 81.14% and 11.73% partnership interests therein, respectively.

(2) In light of the requirement on number of partners of a partnership under PRC laws and regulations, each of Zhirenxing, Zhirenle, Zhirenju, Zhirenxue, and Zhirenyun was established as an Employee Incentive Platform with Zhirentuan Tech (which is controlled by Mr. Wang) as the general partner. In addition, Mr. Wang and Mr. Zhang, as Directors and core R&D members, who have led and contributed to the development of the Company were granted batches of incentives in Employee Incentive Platforms. See "Appendix IV — Statutory and General Information — 5. Employee Incentive Schemes."

(3) For purpose of further consolidating control over the Company by Mr. Wang, thereby further enhancing the decision-making efficiency at the general meetings of the Company and ensure the effective implementation of the strategy of the Group, Wang Xianli and Mr. Wang agreed for Zhirentuan Tech to act as the general partner of Xianzhikong. Mr. Wang and Mr. Wang Xianli, as limited partners, hold approximately 0.78% and 76.91% partnership interests therein, respectively.

(4) Zhirenying was established as an employee shareholding platform to provide employees opportunities to invest in the Company, with Zhirentuan Tech as the general partner for further control consolidating by Mr. Wang. Du Weimin (one of our core R&D members), as a limited partner, holds approximately 1.07% partnership interests therein.

(5) Among the limited partners, Zhang Yingtao (an executive Director), Hao Yu (one of our core R&D members), Gao Yuebo (one of our core R&D members), Zhang Peng (one of our core R&D members), Wang Xianli (our connected person), Zhao Yi (our connected person) hold approximately 19.77%, 3.6%, 3.28%, 2.44%, 12.59% and 12.53% partnership interests therein, respectively.

(6) Among the limited partners, Mr. Wang (one of the Founders and Controlling Shareholders, an executive Director, the chairperson of the Board and the general manager of the Company), Zhang Yingtao (an executive Director), Hao Yu (one of our core R&D members), Gao Yuebo (one of our core R&D members), Zhang Peng (one of our core R&D members), Zhao Yi (our connected person) hold approximately 1.54%, 10.44%, 2.90%, 3.48%, 3.83%, and 4.64% partnership interests therein, respectively.

(7) Among the limited partners, Mr. Wang (one of the Founders and Controlling Shareholders, an executive Director, the chairperson of the Board and the general manager of the Company) holds approximately 19.00% partnership interests therein.

(8) Among the limited partners, Mr. Wang (one of the Founders and Controlling Shareholders, an executive Director, the chairperson of the Board and the general manager of the Company), Mr. Zhang (one of the Founders and Controlling Shareholders, an executive Director and the chief technology officer of the Company), Du Weimin (one of our core R&D members) hold approximately 4.20%, 10.00% and 5.00% partnership interests therein, respectively.

(9) Among the limited partners, Mr. Wang (one of the Founders and Controlling Shareholders, an executive Director, the chairperson of the Board and the general manager of the Company) holds approximately 42.30% partnership interests therein.

(10) Each of such core R&D members of the Company and/or Directors has undertaken that the partnership interests held by him/her in these partnerships are subject to a lock-up period of 12 months after the Listing Date (the "**Partnership Lock-up Period**") pursuant to Rule 18C.14 of the Listing Rules. According to partnership agreements of these partnerships, transfer/disposal of partnership interests therein by the partners shall be subject to approval by the respective general partner of such partnerships (i.e. Zhirentuan Tech). Zhirentuan Tech has confirmed that it will not approve any transfer/disposal of such partnership interests by the core R&D members of the Company and/or Directors during the Partnership Lock-up Period.

Name	Capacity	Aggregate number of Shares held immediately following the completion of the Global Offering[(1)]	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the Global Offering[(1)]	Lock-up period
Pathfinder SIIs				
Han's Laser	Pathfinder SII	75,586,735	14.22%	Commencing on the date of this Prospectus and ending on expiry of six months from the Listing Date
Zhongshen Xinchuang	Pathfinder SII	33,163,265	6.24%	
China Merchants Investors	Pathfinder SII	22,108,840	4.16%	

Note:

(1) Assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

PUBLIC FLOAT

Pursuant to Rule 19A.13A of the Listing Rules, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised, based on the Offer Price of HK$17.00 per Offer Share, our expected market capitalization upon the Listing is HK$9,035 million, and the minimum prescribed public float percentage applicable to our Shares is 16.60%.

Upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) and the Conversion of Unlisted Shares into H Shares, an aggregate of 235,329,535 H Shares and 18,027,800 Unlisted Shares held by (i) Mr. Wang, Mr. Zhang, Zhirentuan, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun, our Controlling Shareholders, and (ii) Han's Laser, our substantial shareholder, will not be counted towards the public float.

Except as stated above, all the 197,337,645 H Shares held by other Shareholders and the 80,785,000 H Shares to be issued under the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules, representing 52.33% of total issued Shares.

FREE FLOAT

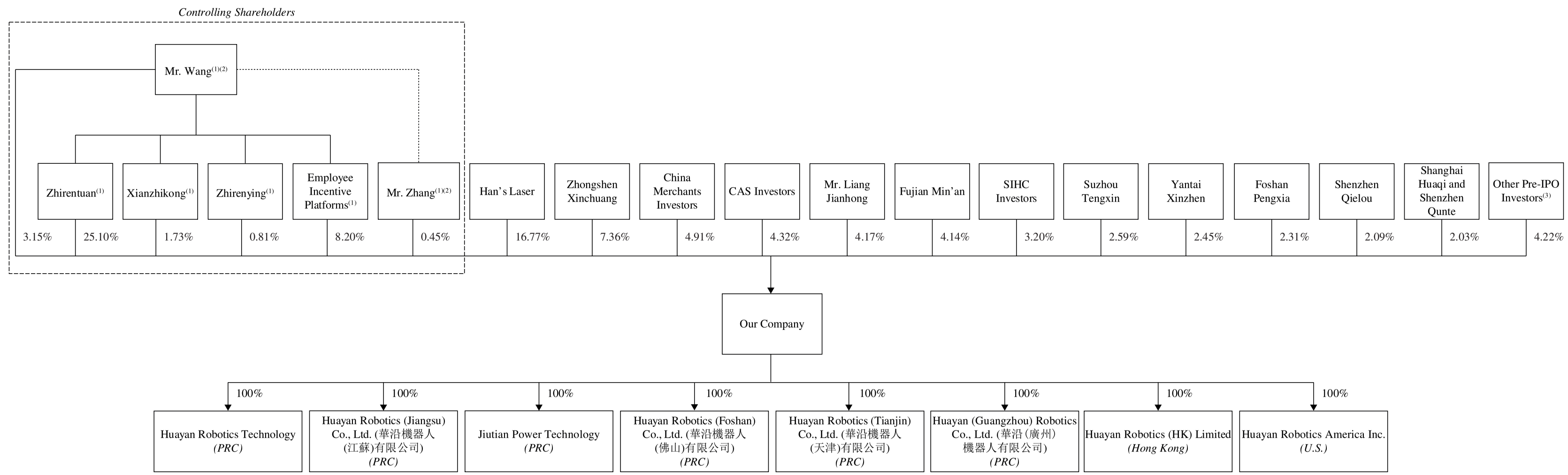
Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of Listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

It is expected that immediately following completion of the Listing, a market capitalization of approximately HK$603.8 million of the H Shares listed on the Stock Exchange are not subject to such disposal restrictions at the time of the Listing (based on the Offer Price of HK$17.0 per Offer Share, and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). Accordingly, our Company will be able to satisfy the requirements under Rule 19A.13C of the Listing Rules.

CORPORATE STRUCTURE

Corporate structure immediately before completion of the Global Offering

The following chart sets forth our shareholding structure as of the Latest Practicable Date and immediately before completion of the Global Offering:



Notes:

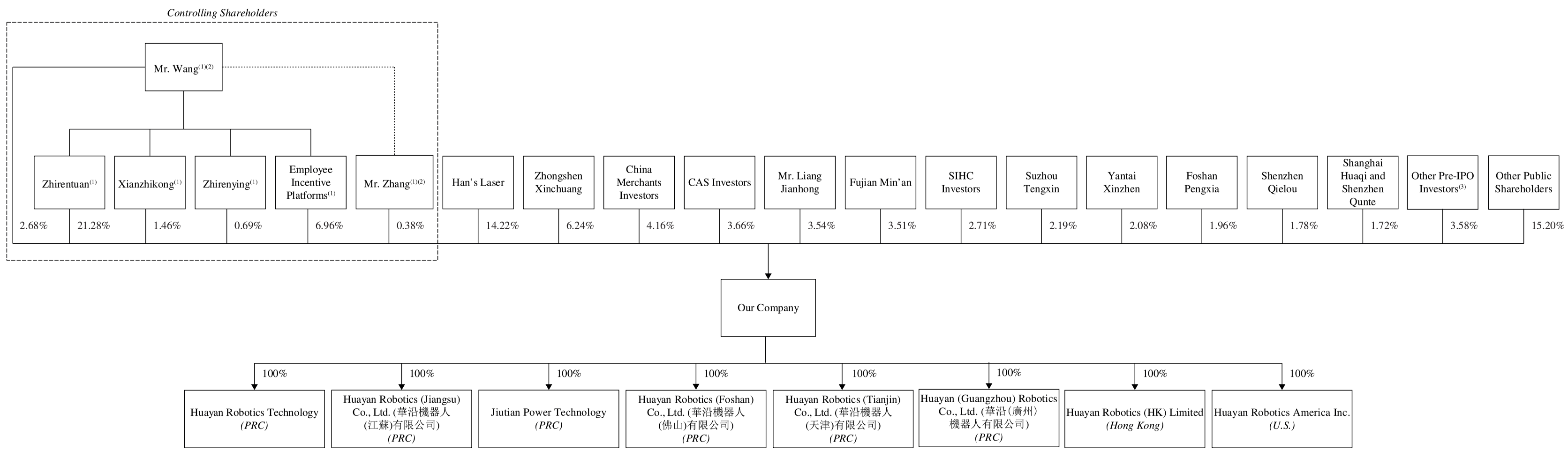
(1) Each of Zhirentuan, Xianzhikong, Zhirenying and the Employee Incentive Platforms (being Zhirenxing, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun) are controlled and managed by its general partner, Zhirentuan Tech. Zhirentuan Tech is controlled and owned as to 99% by Mr. Wang. For details of the Employee Incentive Platforms, see "— Employee Incentive Schemes" and "Appendix IV — Statutory and General Information — 5. Employee Incentive Schemes."

(2) Pursuant to the Acting in Concert Agreement, Mr. Wang and Mr. Zhang confirmed that they and entities controlled by them had been acting in concert since he/it became a Director or Shareholder and will continue to act in concert to align their votes at the Board meetings and the general meetings of the Company (as the case may be). See "— Acting in Concert Agreement" and "Relationship with Our Controlling Shareholders."

(3) Refers to 7 Pre-IPO Investors, including Wuxi Xindongneng, Guangdong Yuecai, Founder Securities, Shenzhen Shuohang, Ms. Liu Hong, CAS Zhengdao and Chuangying Jianke. See "— Capitalization of our Company" and "— Pre-IPO Investments" for details.

Corporate structure immediately following completion of the Global Offering

The following chart sets forth our corporate structure immediately after the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised):



Note:

(1) – (3) See notes in "— Corporate Structure — Corporate structure immediately before completion of the Global Offering."

OVERVIEW

We are a collaborative robotics company engaged in the development, manufacturing and sale of collaborative robots ("**cobots**") and core motion components for industrial automation applications.

Within the broader robotics industry, robots are generally classified into traditional industrial robots, collaborative robots and service robots, with cobots forming a distinct category designed to enable precision automation in environments that require close and safe human collaboration. By revenue in 2024, the global cobot market reached RMB7.5 billion, accounting for approximately 1.7% of the overall global robot market of RMB431.6 billion, according to Frost & Sullivan.

Leveraging our capabilities spanning core motion components, cobot hardware and hardware-native HRC Embodied Intelligence Control Platform, our cobots deliver high stability, precision and motion control. Our product architecture further enables customers and system integrators to conduct secondary development and tailor functionality to specific use cases. As a result, our cobots are adopted across a broad range of industry sectors, including 3C electronics, automotive, healthcare, metal processing and logistics. Within our product portfolio, the E Series cobots are primarily deployed in high-precision applications such as micro-component assembly, precision machining and medical testing, while the S Series cobots are designed for high-payload and high-throughput industrial scenarios, including palletizing, machine tending, material handling and logistics automation. During the Track Record Period, we primarily sold our robot hardware to customers in Chinese Mainland, Europe, the Americas and other regions in Asia.

Furthermore, our full-stack capabilities, coupled with an integrated hardware-software product design, further facilitate product integration with AI technologies. Our proprietary HRC Embodied Intelligence Control Platform integrates the FlexMind training system and the scenario-rich SkillBank process library, collectively underpinning an intelligent platform equipped with embodied intelligent perception, decision-making vertical scenario-specific process algorithms and cobot development.

Anchored in technological innovation and a scenario-centric go-to-market strategy, we have cultivated a customer base across key international markets, spanning leading companies in high-end manufacturing, semiconductors, new energy and medical testing, as well as robotics companies. Our selected customers include the world's largest power battery manufacturer by installed capacity, the largest CNC manufacturer in North America and the largest gene sequencing equipment provider in China.

Our Product Portfolio

Leveraging our integrated hardware-software product design, we have developed a comprehensive product portfolio encompassing cobots and core motion components. Our offerings address diverse industrial automation needs across sectors such as 3C electronics, automotive, healthcare and metal processing, logistics, as well as the demand for precision motion components in humanoid robotics, embodied intelligence systems and cobot applications.

Cobots. Our cobot portfolio comprises two primary product lines — the E Series and the S Series — both integrated with our proprietary HRC Embodied Intelligence Control Platform.

- *The E Series cobots* feature our globally pioneering dual-joint module design, characterized by high integration, rigidity and precision. They are widely adopted in application scenarios requiring high accuracy and stability, such as precision machining, intelligent welding and screw fastening.

- *The S Series cobots* offer high payload capacity, extended reach, fast operating speed and low energy consumption, making them well suited for heavy-duty material handling in application scenarios such as logistics palletizing.

- *The HRC Embodied Intelligence Control Platform* provides end-to-end software support for perception, decision-making and execution. It constructs multi-dimensional environmental models through sensor integration, enables rule-based path planning and motion control via proprietary algorithms, and ensures precise execution through our cobot hardware. This platform provides intuitive user interface for our customers to rapidly develop scenario-specific cobot applications.

Compared with major industry peers, our cobots demonstrate clear competitive advantages in key technical dimensions. According to Frost & Sullivan, as of the Latest Practicable Date:

- our light-duty cobots achieved the highest repeat positioning accuracy of 0.015mm among major industry peers, which enables our cobots to excel in tasks demanding high consistency and reliability, such as micro-component assembly;

- our light-duty cobots achieved the highest absolute positioning accuracy of 0.15mm among major industry peers, which are crucial for tasks requiring precise interaction with external objects, such as dispensing, gluing and laser cutting;

- our heavy-duty cobots achieved the largest payload capacity of 60kg among all comparable products in the market, allowing such heavy-duty cobots to handle and manipulate heavier items in demanding processes like automotive assembly and material handling; and

- our heavy-duty cobots achieved the highest tool center point ("TCP") speed of 8.5 m/s among major industry peers, which allows our heavy-duty cobots to perform high-speed operations efficiently, making them ideal for fast-paced production lines and applications where throughput is a key performance indicator.

Core Motion Components. In addition to our cobot offerings, we provide a range of proprietary core motion components that underpin high-performance robotics applications.

- *Frameless torque motors.* Our frameless torque motors deliver enhanced performance metrics and are widely applied in humanoid robots and cobots.

- *Servo drives.* Our servo drives adopt an industry-leading control architecture compatible with various encoder interfaces and feature ultra-low latency, enabling responsive and precise motion control.

- *Joint modules.* We are also the first to apply the design of dual-joint modules in cobots, which optimize precision and payload within compact structural designs. Building upon this foundation, we have developed high-performance joint modules tailored for humanoid robotics.

- *Precision motion platforms.* Furthermore, leveraging our extensive experience in core motion components and cobot technologies, we offer ultra-high-precision two- and three-axis motion platforms, which are extensively used in application scenarios such as gene sequencing, optical communications and semiconductor manufacturing.

Our Innovation-Driven R&D Capabilities

We have pioneered a number of groundbreaking advancements in robotic core motion components, laying the technical foundation for our cobot offerings.

- We were the first company globally to apply a dual-joint module design to cobots. The dual-joint module integrates two rotational axes and all key components into one unit, using a single PCB and driver to improve integration, response, stability, and reliability while reducing wiring. Its optimized 90-degree algorithm and unique arm design optimize singularities and enable more flexible trajectory planning. Its precision manufacturing ensures high verticality and accuracy, avoiding assembly and dimensional errors seen in single-joint designs;

- Our latest M Series frameless torque motors deliver torque density 20% higher than that of our International industry peers;

- Our servo drives operate at an industry-leading control frequency of 100kHz, enabling highly responsive and stable motion control; and

- We are among the earliest companies globally to design servo drives based on FPGA architecture, allowing us to develop a proprietary, iterative control toolbox that integrates with advanced algorithms such as high-precision motion control and vibration suppression, significantly improving product stability.

Building on our extensive experience in core motion components, we have established strong hardware-software co-development capabilities. Our proprietary HRC Embodied Intelligence Control Platform is developed atop a solid foundation of hardware know-how and features an open interface architecture that facilitates system integration. The platform integrates extensive industrial process data with advanced algorithms and provides end-to-end functionality covering perception, decision-making and execution. In November 2024, we further strengthened our leadership by partnering with a global ICT and smart device leader to establish the Embodied Intelligence Innovation Center, aimed at advancing intelligent learning and decision-making for cross-industry products.

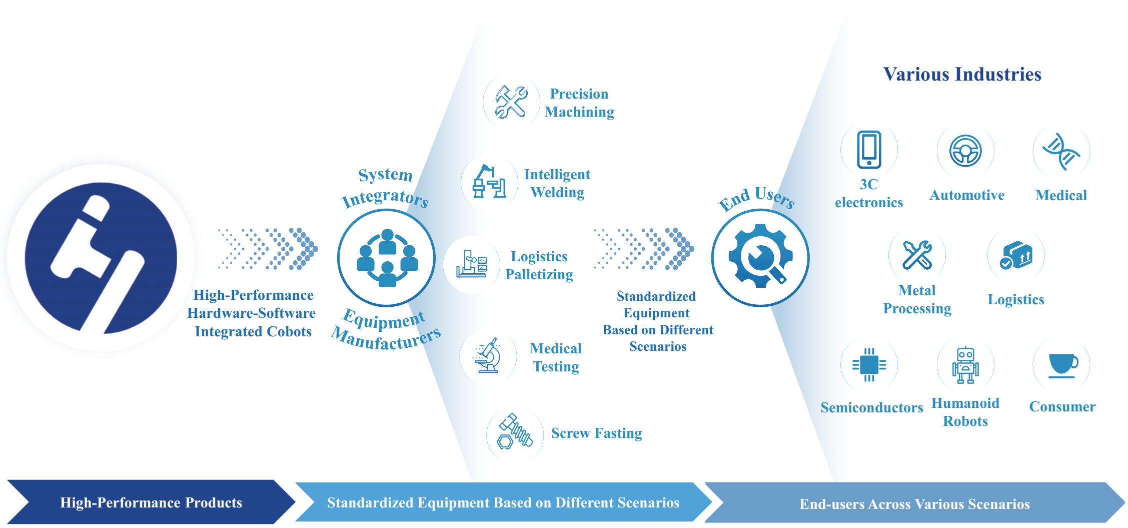
As of the Latest Practicable Date, we held 238 patents across multiple jurisdictions, including including 233 in the PRC, one in the European Union, one in South Korea, two in the United States and one in Japan. Our products have garnered global recognition, including the First Prize in the Guangdong Provincial Robotics Science and Technology Awards, the Red Dot and iF Design Awards in Germany and the 2024 Golden Pin Design Award, underscoring our technological leadership and industrial impact.

Our Scenario-Centric Go-to-Market Strategy

The cobot industry ecosystem primarily comprises component suppliers, cobot manufacturers, system integrators and end users. Given the diversity of end-user industries and application scenarios, as well as the highly customized requirements of factories and production lines, the industry typically relies on standardized equipment manufacturers to develop, integrate and deploy tailored automation products.

Against this backdrop, we position ourselves as a cobot provider focused on standardized, high-performance products that can be readily adapted to diverse industrial and other application needs. We have adopted a scenario-centric go-to-market strategy centered on collaborative ecosystem development with partners. Guided by this strategy, we have established strong relationships with leading system integrators worldwide. Our products had been sold to customers across the globe, generating overseas revenue of RMB106.3 million in the nine months ended September 30, 2025, which represented 37.9% of our total revenue for the same period. Our scenario-centric strategy enables "validate-once, deploy-globally" scalability through our partners' extensive networks, allowing us to achieve international expansion at relatively low customer acquisition cost. Our selling expense ratio (calculated as the selling and distribution expenses divided by revenue) was 13.5% in 2024 and 14.0% in the nine months ended September 30, 2025, both significantly lower than that of our industry peers.

The following chart presents our standardized cobot deployment model:



Our Financial Performance

Our cobots and core motion components have seen increasing adoption across diverse application scenarios and geographies, driving sustained financial improvement marked by consistent growth in profitability during the Track Record Period. Specifically, our revenue increased by 60.2%, from RMB109.4 million in 2022 to RMB175.4 million in 2023, and further increased by 77.0% to RMB310.4 million in 2024, representing a CAGR of 68.4% from 2022 to 2024. Our revenue increased by 36.2% from RMB206.2 million in the nine months ended September 30, 2024 to RMB280.9 million in the nine months ended September 30, 2025. We turned from a net loss of RMB83.4 million in 2022 to a net profit of RMB17.9 million in 2024, establishing ourselves as one of the few profitable established cobot companies in the world, according to Frost & Sullivan. We had a net loss of RMB15.6 million in the nine months ended September 30, 2025, primarily due to an increase in listing expenses under administrative expenses.

OUR STRENGTHS

Established Market Recognition in the Rapidly Expanding Global Cobot Industry

We are a company specializing in cobots. According to Frost & Sullivan, we are the second largest Chinese cobot company and a top five global cobot company by revenue in 2024. We also achieved the fastest revenue growth among top five global cobot companies, according to the same source. We have built a strong presence in overseas markets such as Germany. Our overseas revenue accounted for 26.2%, 26.5%, 50.2%, 48.7% and 37.9% of our total revenue in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, demonstrating recognition from leading international customers. In terms of international footprint, we are the largest Chinese cobot exporter by overseas revenue in 2024, according to Frost & Sullivan. Our strong presence in key overseas markets has enabled us to access a broader customer base, deepen engagement with international partners, and capture growth opportunities in diverse markets.

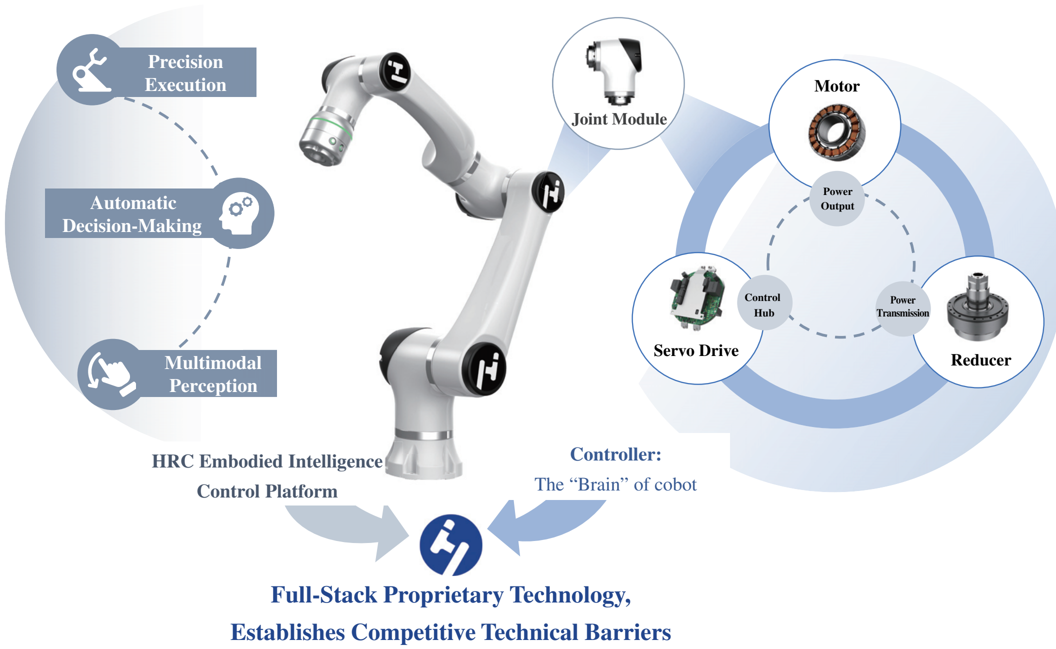
Our leadership in technology innovation is also underpinned by strong industry recognition. We have undertaken national-level R&D initiatives, such as “Platform Validation for Dexterous Precision Operation Skill Learning” in collaboration with Tsinghua University. Our products have also garnered global recognition, including the First Prize in the Guangdong Provincial Robotics Science and Technology Awards, the Red Dot and iF Design Awards in Germany, and the 2024 Golden Pin Design Award, underscoring our technological leadership and industrial impact.

Full-Stack Hardware-Software Capabilities

The performance of core motion components, including motors, servo drives, reducers and controllers, directly affects cobots’ key metrics, such as accuracy, payload, safety and speed. As the only Chinese cobot manufacturer founded with extensive experience in motor and servo drive development, our founding team boasts over two decades of experience in core motion component development. We are capable of independently designing and manufacturing core motion components, and are the only company among leading cobot companies in China that independently offers core motion components for external sales.

Additionally, our HRC Embodied Intelligence Control Platform features an open and intelligent interface that supports perception, decision-making and execution. This integrated hardware-software product design not only underpins the superior technical performance of our products but also affords us a high degree of autonomy in product development, enabling rapid adaptation to evolving customer needs and application scenarios.

The following chart presents our full-stack capabilities across core motion components, cobot hardware and the HRC Embodied Intelligence Control Platform:



Our in-house capabilities across core motion components include the following:

- ***Torque Motors***. Our frameless torque motors employ advanced electromagnetic structures to deliver high torque density, high speed, low cogging torque and strong overload capability. Our low-voltage frameless torque motors for cobots achieve high peak torque, which refers to the maximum torque output that can be delivered for short durations, enabling greater design headroom for our high-payload cobots than industry benchmarks.

- ***Servo Drives***. We are among the earliest companies in the industry to adopt FPGA and EtherCAT technologies in servo drives, which support a control frequency far exceeding industry average, allowing for higher responsiveness, motion precision and disturbance suppression. Our CoolDrive series was also the first in the cobot industry to enable dual-motor control using a single drive, according to the same source.

- ***Reducers***. With over a decade of experience in reducer assembly, we have continuously worked to optimize our reducer performance to meet diverse application needs. Based on our proprietary assembly techniques, we have reduced full-system operating noise than comparable products in the market.

- ***Controllers***. Acting as the "brain" of the cobot, our controllers operate at a control frequency of up to 2kHz, far exceeding the industry average of 200-500Hz. This provides the necessary conditions for precise operation, including improved synchronization, low jitter and near-zero latency.

Our core motion components are not only integral to our cobots but also serve as an important revenue driver. During the Track Record Period, revenue generated from core motion components amounted to RMB43.8 million, RMB53.8 million, RMB72.7 million, RMB46.3 million and RMB72.5 million in 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our customer base includes leading companies in automotive and robotic manufacturing, validating the competitiveness of our independently developed core motion component capabilities, and positioning us for future opportunities in high-growth sectors such as humanoid robotics and next-generation low-altitude transport and automation, which refers to new forms of short-distance air transportation using light aircraft with automated systems for managing flight operations and logistics.

In addition to core motion components, our HRC Embodied Intelligence Control Platform further enhances the human-robot interaction capabilities of our cobots:

- ***Multimodal Perception***. Incorporating multimodal sensing including vision, force and tactile feedback, our intelligent perception system provides rapid, accurate environmental data. This enables customers to quickly customize cobots for specific application scenarios.

- ***Automatic Decision-Making***. The platform incorporates advanced data processing techniques such as pattern recognition and collision monitoring, enabling our cobots to respond swiftly to changing conditions based on pre-defined data pool. Our FlexMind configuration platform allows users to quickly customize and update logic and control strategies for various application scenarios. For vertical application scenarios, we have developed SkillBank, a comprehensive repository of process packages which provides "drag and drop" modules tailored for scenarios covering welding, logistic palletizing and screw fastening, enabling scenario-specific cognition and rapid deployment.

- ***Precision Execution***. The platform also incorporates advanced algorithms such as real-time compensation, compliance error correction and vibration suppression, enabling millisecond-level responsiveness. In the meantime, our collision detection algorithms significantly improve operational safety. The platform also enables customers to smoothly integrate with their own production systems, enabling low-latency execution pipelines and mission-critical execution precision.

Industry-Leading Product Performance

With over two decades of expertise in core motion components and extensive production know-how, our founding team brings integrated strengths across R&D and production, enabling us to maintain strict control over product quality and performance. Our cobots consistently demonstrate strong performance across all key metrics:

- ***Wide Payload Capacity***. Our cobots support a wide payload range from 3kg to 60kg, representing the widest payload range among the top five cobot companies in China and globally, according to Frost & Sullivan. In particular, our S Series supports payloads of up to 60kg, exceeding the maximum load capacity of comparable products in the market according to the same source.

- ***High Precision***. Our cobots deliver industry-leading accuracy with short response times, including repeat positioning accuracy of up to 0.015mm, best among the top five cobot companies in China and globally, absolute positioning accuracy of up to 0.15mm, trajectory accuracy of up to 0.2mm and rotational accuracy of up to 0.1mm as of the Latest Practicable Date.

- ***Enhanced Safety***. Leveraging our proprietary technologies in Dynamic Fencing, virtual wall and e-skin, our cobots can detect moving objects within a 1.5-meter radius, enhancing operational safety in human-cobot collaborative environments. Our cobots incorporate multiple safety features, including Safe Torque Off ("**STO**"), and are compliant with international standards such as SIL2, ISO/TS 15066 and ISO 13849.

- ***High Speed***. Powered by our next-generation M Series motors and CoolDrive servo algorithms, our cobots achieve end-effector speeds of up to 8.5m/s under a 50kg payload, being the highest among the top five cobot companies offering comparable products in China and globally.

- ***Instantaneous Responsiveness***. Our E Series was among the first domestically developed cobot lines to adopt EtherCAT communication. Our cobots' servo control frequency reaches 2kHz, significantly higher than the mainstream industry range of 200-500Hz. This enables our cobots to reach nominal precision within 50 milliseconds and achieve safety responses within 1 millisecond, outperforming industry peers, according to the same source.

- ***Intuitive Operation System***. Our cobots are also designed for ease of use and rapid deployment. With no specialized knowledge of equipment or programming required, operators with no technical background can easily configure and operate the system using drag-to-teach functionality and intuitive programming interfaces.

Our team has over two decades of experience in manufacturing, particularly in core motion components. Our deep manufacturing know-how enables us to rapidly translate innovative technologies from laboratory prototypes to mass production, accelerating product iteration and technology upgrades. In doing so, we have established a self-reinforcing feedback loop between R&D and production, which enhances our responsiveness to customer needs and strengthens our technology moat.

Our proven product performance has earned widespread recognition from international customers who typically impose stringent requirements on cobot performance, reliability and safety, while requiring extensive technical audits and prolonged supplier qualification processes. We have distinguished ourselves among global competitors by earning recognition from the world's largest power battery manufacturer by installed capacity, the largest CNC manufacturer in North America and the largest gene sequencing equipment provider in China, further validating our product strength and technological capabilities.

Standardized Cobot Deployment for Mission-Critical Applications

Recognizing commercial viability as the ultimate goal in the robotics industry, we have adopted a scenario-centric strategy for product development and business expansion. We have developed easily deployable cobots for diverse application scenarios, including precision machining, intelligent welding, logistics palletizing, medical testing and screw fastening. Our standardized delivery process significantly enhances the system integrators' efficiency in deploying our products on their production lines by minimizing the need for scenario-specific re-engineering. For example, our cobots used for logistics palletizing can be deployed within two weeks, well below the industry average of three to four weeks.

Leveraging our extensive expertise in industrial application scenarios, full-stack capabilities and integrated hardware-software product design, we have combined extensive real-world operational data with AI technologies to develop scenario-specific cobot toolkits. These toolkits, provided to system integrators, significantly lower the technical threshold for deployment and enable more intelligent human-robot collaboration.

Our scenario-specific expertise is demonstrated through the following representative application scenarios:

- ***Precision Machining***. Precision machining refers to higher-accuracy manufacturing processes, where cobots support tasks requiring consistent positioning, repeatability and handling of small or delicate components. Our cobots support a broad range of precision machining tasks such as CNC and assembling. Compared with manual operations, they deliver micron-level precision within milliseconds and have achieved mass adoption in semiconductor packaging material handling. Our key customers in this application scenario include leading global CNC equipment providers and domestic semiconductor manufacturers.

- ***Intelligent Welding***. Intelligent welding refers to welding operations where cobots carry out or assist in joining metal components with controlled trajectories and programmed parameters to improve consistency and efficiency. Widely encompassing industry verticals such as shipbuilding, construction machinery and bridge engineering, intelligent welding requires high process techniques such as trajectory accuracy. The varying requirements for materials, welds and rigidity across industry verticals necessitate flexible and high-precision products. Our cobots meet such varied requirements with robust performance, supported by deep process expertise leveraging our FlexMind training system and the SkillBank process library. These tools intelligently transform and standardize welding process data, helping engineers quickly gain proficiency in operating our cobots.

- ***Logistics Palletizing***. Logistics palletizing refers to stacking, sorting or arranging goods and packages onto pallets for storage or transportation within warehouses or production facilities and poses combined challenges of high payload, extended reach and fast operating speed. Our cobots address these challenges with an industry-leading maximum payload capacity of 60kg and an extended reach of up to 2,000mm, achieving a palletizing speed of up to 13 boxes per minutes, significantly exceeding the industry average. Additionally, powered by the HRC Embodied Intelligence Control Platform, our cobots also support rapid adaptation to materials of varying weight and volume through intelligent perception systems, thereby enhancing flexibility on automated lines.

- ***Medical Testing***. In medical testing applications such as gene sequencing and pathology analysis, precision, safety and secondary development capability are critical. Our HRC Embodied Intelligence Control Platform significantly shortens customers' development cycles. With absolute accuracy of up to 0.15mm and millisecond-level communication latency, our cobots meet the stringent performance and safety requirements of this field. Our cobots have been extensively deployed in the gene sequencing industry and we have established deep strategic partnerships with top domestic gene sequencing equipment manufacturers.

- ***Screw Fastening***. Equipped with our proprietary vibration suppression algorithms and uniquely designed arms, our cobots exhibit high impact resistance, significantly extending their service life and enabling reliable fastening of large screws. These cobots have been widely adopted by leading global new energy manufacturers in this application scenario.

Furthermore, as cobots gain traction in commercial sectors such as consumer and education markets, our expertise in high-standard industrial application scenarios positions us well for expansion into these fields. We have already deployed cobots in consumer-oriented scenarios including rehabilitation therapy, automated fueling and catering service applications.

Scenario-Centric Ecosystem Jointly Developed with Global Industry Leaders

The downstream cobot market is characterized by fragmented end-user demands and increasingly complex application scenarios. System integrators have increasingly evolved to provide cobot-integrated standardized equipments to end-users. Leveraging their deep industry expertise and strong end-user relationships, such modular approach allows them to provide scalable applications and reduce costs. As a cobot company, we adopt a scenario-centric go-to-market strategy centered around collaborating with these partners. Through in-depth partnership with global industry leaders and strategic partners, we have established a "co-innovation and resource-sharing" partnership model, whereby we leverage their domain expertise to cooperate to validate and tailor scenario-specific applications of our products, jointly expand our market reach and enhance the adaptability of our products to diverse application scenarios.

Supported by this partnership model, we have cultivated a global customer base spanning leading companies in high-end manufacturing, semiconductors, new energy and medical testing, as well as robotics companies. Our selected customers include the world's largest power battery manufacturer by installed capacity, the largest CNC manufacturer in North America and the largest gene sequencing equipment provider in China.

We have strengthened our ecosystem engagement by validating application scenarios jointly with our customers, making our products a core components of our customers' applications, thus forming reciprocal relationships that reinforce long-term customer stickiness and create a defensible moat of customer resources. During the deployment process, our intelligent and standardized cobot designs enable rapid implementation of products tailored to customers' diverse technical requirements. This effectively addresses common industry challenges, including high technical barriers, prolonged validation cycles, complex process implementation and high trial-and-error costs, while enabling "validate-once, deploy-globally" scalability across customer networks.

In addition, we have achieved rapid cross-scenario expansion by capitalizing on synergies within our ecosystem. Our strategic partners possess extensive industry experience and channel resources in their respective sectors, allowing us to achieve efficient deployment and deep coverage across sector-specific application scenarios. For example, in intelligent welding, our ecosystem partners include steel structure manufacturers, equipment manufacturers and traditional welding machine companies. Through these collaborations, our cobots have achieved compatibility with over 20 mainstream welding machines, establishing a comprehensive welding ecosystem.

Visionary Leadership with Strong Technical Background

We are the only Chinese cobot manufacturer founded with extensive experience in motor and servo drive development. Our founding team brings over 20 years of experience in robotics and core motion component development, with end-to-end capabilities across research, productization and platform-level system integration. Their expertise spans the full technology stack, from underlying hardware and control algorithms to robotic system design and software platform architecture. In addition, the team brings extensive management and technical experience from leading global technology companies, including ASM, Huawei, ABB and Comau, contributing to our strong execution capabilities and innovation culture.

Mr. Wang Guangneng, the founder and general manager of our Company, has over 20 years of technical experience in motors and drives. Prior to founding our Company, Mr. Wang worked in a leading global provider of semiconductor assembly and packaging equipment, as well as at Han's Laser, where he focused on R&D in electronics and control systems. Mr. Wang led the development and commercialization of digital galvanometer, earning the second prize of the National Technological Invention Award. Mr. Wang is a recognized robotic industry expert with numerous accolades, including the second prize of the National Technological Invention Award, first prize of the Guangdong Science and Technology Award, and first prizes of the Shenzhen Science and Technology Progress Award, as well as the Shenzhen Technological Invention Award. As an inventor, Mr Wang contributed to 211 patents as of the Latest Practicable Date.

Mr. Zhang Guoping, the co-founder and CTO of our Company has over 20 years of technical experience in the field of electronics engineering. Recognized as a high-level talent in Shenzhen, he has led numerous national, provincial and municipal R&D projects. As an inventor, Mr. Zhang has contributed to 204 patents as of the Latest Practicable Date. The head of our AI department, Mr. Hao Yu, has over 15 years of extensive experience in automation, industrial vision and AI intelligence. Since joining our Company, Mr. Hao has spearheaded the development of the robotic vision system and the no-teach intelligent welding products, driving technological innovation within the industry and enabling the multifaceted application of robots in various production stages. He is also responsible for creating and managing an industrial-grade AI embodied intelligence platform, significantly advancing the industrial implementation of intelligent technologies. Mr. Wang Guochao, our chief strategy officer, has over 30 years of management experience in robotics manufacturing and industrial automation, and brings deep strategic insight and execution capabilities to our organization.

Together, our leadership team combines strong academic backgrounds, global industry experience and full-stack technical capabilities. Their practical expertise across hardware, software, AI and commercialization forms the foundation of our long-term competitiveness and supports our continuous innovation and rapid product delivery in highly demanding application scenarios.

OUR STRATEGIES

Continue Strengthening R&D in Cobot Technologies

Enhancing cobot capabilities depends heavily on foundational R&D in motion components and software — such as motion control algorithms. We are committed to reinforcing our R&D efforts in core motion components, including torque motors, servo drives and controllers. We plan to enhance key performance metrics and real-world performance of these hardware components through a combination of in-house development and collaborative R&D with strategic partners. In particular, our future R&D focus includes high-power frameless torque motors and motion components for humanoid robots. We also intend to expand the application of our motion components to emerging strategic industries such as short-distance air transportation using light aircraft with automated systems, new energy vehicles and semiconductors.

Enhance the Intelligence of Our HRC Platform with AI Technologies

We intend to deepen our R&D efforts and investments in AI technologies to enhance the intelligence of our HRC Embodied Intelligence Control Platform and improve cobot intelligence and performance, specifically investing in the following areas:

- ***Multimodal Perception and Decision-Making***. We will continue to enhance multimodal integration of visual, auditory and tactile perception in our cobots. Our R&D focus includes visual perception, intelligent hybrid decision-making and multimodal perception technologies, with the goal to significantly improve our cobots' intelligence and practical performance in real-world application scenarios. Leveraging extensive operational data, we will further train our models to increase the flexibility of our cobots for general, non-standardized tasks.

- ***Natural and Intuitive Human-Robot Interaction***. We will also develop more user-friendly human-robot interaction interfaces, incorporating large language model in voice interaction, gesture control and other intuitive input methods to provide more natural and intuitive ways to operate cobots. These improvements are expected to significantly enhance ease of use and deployment flexibility across application scenarios.

- ***Scenario-Based Model Optimization***. We are developing a robust, general-purpose control framework for specific cobot application scenarios. Integrated with our ongoing R&D in multimodal perception and adaptive control, the model enhances our cobots' ability to operate effectively in complex, dynamic environments by improving situational responsiveness, automatic decision-making capabilities, and task execution efficiency.

Improve Cobot Performance and Application Versatility

We remain committed to a scenario-centric R&D approach, focusing on improving the adaptability of our cobot products across diverse application scenarios. Through close collaboration with system integrators and end users, we continuously refine our products to meet real-world operational needs. Going forward, we will leverage practical experience and scenario-specific requirements to iteratively optimize our core motion components and the HRC Embodied Intelligence Control Platform. Meanwhile, we will strengthen the development of motion control algorithms tailored to vertical applications to further enhance the performance of our cobots in end-use scenarios.

In addition, we intend to expand the range of application scenarios and supported processes for our cobots, including new use cases in consumer-oriented scenarios. By building an ecosystem centered on application scenarios, we aim to sharpen our R&D focus, improve development efficiency, reduce end-user deployment costs and enhance product usability. This application-driven ecosystem will support the broader adoption of our cobots across emerging sectors.

Deepen Investment in Core Motion Components for Humanoid Robots

The humanoid robotics market is undergoing accelerated growth. According to Frost & Sullivan, the global market size for humanoid robot components reached RMB3.5 billion in 2024 and is expected to grow at a CAGR of 59.5% from 2024 to 2029. Despite this momentum, the domestic humanoid robotics industry faces two critical challenges: a heavy reliance on imported joint modules that account for over 60% of total cost, and insufficient integration between motion control algorithms and hardware resulting in high failure rates. These challenges highlight the urgent demand for domestic providers that not only possess full-stack in-house development capabilities for core components, but also have deep technical know-how and experience in robotics applications.

As the only domestic company with integrated R&D capabilities spanning torque motors, servo drives and joint modules, alongside years of practical experience in cobot deployment and operation, we are well positioned to seize this opportunity. We plan to further enhance and tailor our product offerings to meet the evolving demands of humanoid robotics. Our development roadmap includes frameless torque motors, humanoid joint modules and robotic arms, designed specifically for the complex motion requirements of humanoid systems. Our frameless torque motors and joint modules have already been adopted in the products of selected humanoid robot manufacturers. Going forward, we will continue to improve the performance, reliability and scalability of these products, with a view to expanding our market share and reinforcing our position as a key enabler in the next wave of humanoid robotics innovation.

Strengthen Sales Channels and Advancing Global Market Expansion

We intend to deepen our collaborations with system integrators, end users and strategic partners, to expand our customer ecosystem and strengthening long-term, mutually beneficial partnership relationships. By leveraging these partnerships, we seek to drive the broader adoption of our products across a wider spectrum of industries and application scenarios. Meanwhile, we plan to enhance the structure and reach of our sales network by expanding our distributor network, to enable us to reach a broader base of customers and improve the accessibility and market penetration of our products across different industry verticals and geographies.

In addition, we are committed to further reinforcing our overseas market presence. We will continue to optimize our international sales infrastructure, deepen our engagement with existing overseas strategic customers and increase investment in international exhibitions, marketing and brand promotion activities. These efforts are designed to enhance global brand awareness and drive international customer acquisition.

Supported by our international partnerships, robust product capabilities and growing brand equity, we believe our overseas market share and sales volume will continue to increase as we execute on our global expansion roadmap and deepen our international sales footprint.

Strengthen Talent Acquisition and Development

We are committed to strengthening our talent development system by aligning it closely with our overall business strategy and establishing a structured, institutionalized framework for talent recruitment, cultivation, evaluation and motivation. Our goal is to build a stable, dynamic and technically capable talent pool that enables us to maintain a strong innovation pipeline and execute effectively on our business strategies. We are strengthening efforts to attract top-tier, interdisciplinary talent with a global outlook. Through partnerships with leading international research institutions and overseas liaison offices, we aim to recruit experts in motion control algorithms, visual perception, multimodal AI, and foundation models — targeting PhDs, postdocs, experienced professionals, and innovative young talent to drive the advancement of our intelligent, multi-scenario cobots. To support key application areas, we are building a robust talent pipeline, which includes collaboration with industry associations, universities, and vocational institutions, as well as continued investment in internal training, technical exchanges, and joint development programs to cultivate scenario-specific specialists.

We are also expanding our international teams across R&D, sales, and management, while fostering a culturally adaptable workforce. By enhancing cross-border collaboration and organizational agility, we aim to boost execution efficiency and scale our presence across key international markets as a competitive technology leader.

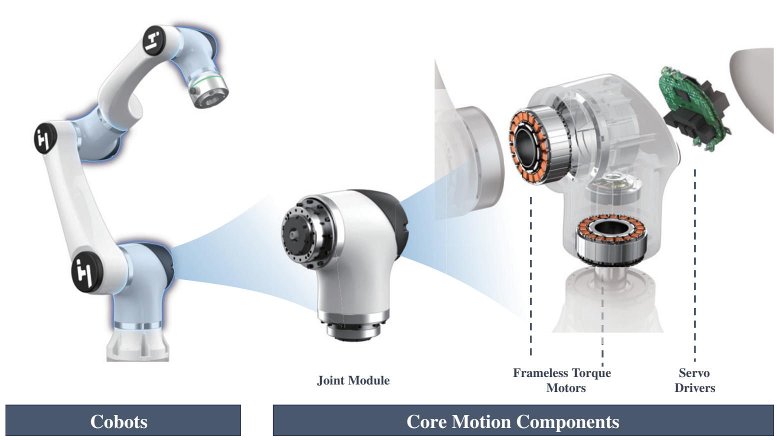
OUR PRODUCT PORTFOLIO

Our product portfolio comprises two core business lines: (i) cobots and (ii) core motion components.

Cobots. Our cobots constitute the core of our product portfolio and serve as a hardware-software integrated platform combining our proprietary core motion components and cobot hardware with the HRC Embodied Intelligence Control Platform. This architecture supports multimodal perception, automatic decision-making and high-precision execution, enabling rapid deployment through configurable process modules. We also offer industry-specific workstations that integrate our cobot hardware, HRC platform and pre-configured processes, providing ready-to-deploy automation systems. Leveraging our integrated hardware and software design, our products address a wide range of automation needs across industrial scenarios such as precision machining, intelligent welding, logistics palletizing, medical testing and screw fastening, offering flexible and reliable products for mission-critical environments.

Core motion components. Our core motion components form the technological backbone supporting our cobot products and represent a key part of our product portfolio. We offer self-developed core motion components, including frameless torque motors, servo drives, joint modules and precision motion platforms, delivering high torque density, control accuracy and system integration flexibility. These components are widely adopted in advanced applications such as humanoid robots, embodied intelligence and advanced robotic systems that require compact, reliable and customizable motion solutions.

The following picture presents the portfolio of our main products:



Collaborative Robots

Our six-axis cobots form the core of our product portfolio, combining high precision, flexibility and safety to support smooth integration into dynamic industrial environments. We offer two main series of six-axis cobots, namely (i) the E Series, featuring our proprietary dual-joint modular design for enhanced compactness and maneuverability, optimized for high-precision tasks such as semiconductor packaging, welding and medical testing, and (ii) the S Series, designed for heavy payload applications such as logistics palletizing, machine tending (which refers to the operation of loading and unloading materials, components or finished parts to and from equipment such as CNC machines, injection-moulding machines or stamping machines), material transfer and logistics automation.

Our cobots are primarily supplied as standardized products. However, we offer a range of customization options to meet specific customer requirements, mainly in terms of appearance, hardware, control system and core motion components used in cobots. For example, in applications such as precision manufacturing lines, automated welding cells and logistics handling setups, customers can specify preferred reducers, lubricants, structural components such as cable type, cable length and connector choices, as well as customized control-box functions and demonstrator configurations. Software versions and functional modules can also be tailored to specific operational needs.

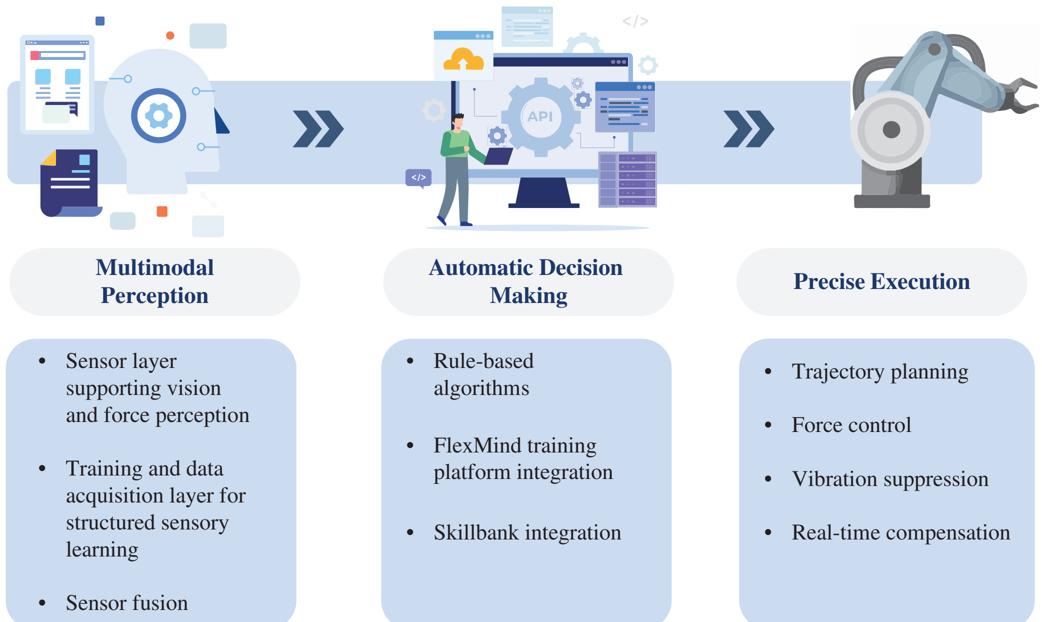
Key features of our cobots include (i) wide payload capacity, supporting 3–60 kg — the broadest range among major cobot players according to Frost & Sullivan, (ii) high precision, delivering industry-leading accuracy with 0.015 mm repeat positioning accuracy, 0.15 mm absolute positioning accuracy, 0.2 mm trajectory accuracy and 0.1 mm rotational accuracy, (iii) enhanced safety, enabled by Dynamic Fencing, virtual wall and e-skin, with detection within 1.5 m and compliance with Safe Torque Off ("STO"), SIL2, ISO/TS 15066 and ISO 13849, (iv) high speed, achieving end-effector speeds up to 8.5 m/s under a 50 kg load, (v) fast responsiveness, supported by a 2 kHz servo control frequency enabling 50 ms precision lock-in and 1 ms safety response, and (vi) intuitive operation system, with drag-to-teach capability and user-friendly interfaces allowing non-technical operators to deploy and configure robots easily.

Our HRC Embodied Intelligence Control Platform

Our HRC Embodied Intelligence Control Platform is an integrated control system that enables multimodal perception, automatic decision-making and high-precision execution for intelligent human-robot collaboration. Serving as the foundational layer for scenario-based development and application scalability across our cobot product portfolio, the HRC platform supports our customers in developing cobot applications that involve dynamic, real-time interaction between cobots and their environments in diverse industrial settings.

Built on a modular architecture that structurally decouples the perception, decision-making and execution layers, the HRC platform allows each functional block to be configured independently while maintaining interconnectivity. The modular architecture enables independent updates and custom extension of each core module, allowing for rapid algorithm upgrades, task-specific software deployment and execution at the edge, as well as tailored adaptation to pre-defined application scenarios without changing the base cobot system. The platform also features an architecture designed to support rapid integration and customization. Through open APIs and compatibility with mainstream communication protocols such as EtherCAT and ProfileNet, an industrial Ethernet-based fieldbus standard developed by PROFIBUS & PROFINET International for real-time industrial automation, as well as support for mainstream robot operating systems such as ROS, the HRC platform allows customers to interface with third-party vision systems, force sensors and upper-layer manufacturing execution systems ("**MES**"), thereby enabling broader ecosystem collaboration, streamlined workflow integration and accelerated deployment of scenario-specific applications.

The following chart presents the architecture of our HRC Embodied Intelligence Control Platform:



Our HRC platform provides end-to-end intelligent support, ranging from multimodal environmental sensing to rule-based decision-making and precise motion execution, thereby significantly enhancing the adaptive capabilities and intelligent interaction of our cobots to pre-defined application scenarios.

Multimodal Perception

At the core of the platform lies a multimodal perception framework that integrates vision, touch and force feedback to form a continuous and dynamic understanding of the surrounding environment. This is achieved through two layers of capability: (i) a sensor layer consisting of a combination of 2D/3D cameras, six-axis force/torque sensors, tactile arrays, TOF sensors and infrared proximity detectors, which serve as the foundational hardware layer, and (ii) a data acquisition and training layer used to define perception-response rules for specific scenarios. Currently, we offer single-arm sensing solutions with integrated force-vision end modules employed in our Elfin-Pro series for precision tasks such as polishing, insertion and edge tracking. In parallel, we are developing a dual-arm training platform through our FlexMind platform to collect complex collaborative data such as coordinated dual-arm welding or multi-angle assembly. These data sets will expand our pre-defined algorithm pool that enhances our cobots' performance and efficiency in operation.

Perception data is processed through our proprietary sensor fusion and perception algorithms, which include object classification, trajectory tracking, visual localization and compliant force feedback. These algorithms are designed to function collaboratively, where, for example, visual cues are used to preliminarily localize a target, followed by force-based refinement for precision insertion or assembly. This layered processing structure ensures that the cobot can rapidly adapt to spatial constraints or material variation in complex environments.

Automatic Decision-Making

Following environmental sensing, the HRC platform utilizes a suite of structured algorithms, including rule-based pattern recognition, logical condition handling and collision prediction engines, to support real-time decision execution and automatic decision-making. The system emphasizes on deterministic logic, enabling the cobot to interpret current states, anticipate pre-defined environmental changes, and respond based on a curated library of task-specific algorithms. This rules-driven approach enables task-specific logic to be easily configured, updated, and reused across application scenarios with minimal overhead and without the need for retraining or complex model adaptation.

Customers can further customize and enhance this decision-making process using our FlexMind training system and SkillBank process library. FlexMind serves as a dedicated platform allowing customers to develop and optimize scenario-specific algorithms based on operational parameters and expected environmental conditions to support continuous refinement of cobot task logic. This platform enables rapid iteration and structured upgrades of decision logic without altering the core cobot architecture, ensuring deployment flexibility. SkillBank, in parallel, offers a structured repository of scenario-specific process packages, which contain motion primitives, tool parameters and exception handling rules for use cases such as intelligent welding, palletizing and lithium battery assembly. These modules are readily callable by the HRC system and serve as composable task logic elements.

By combining FlexMind and SkillBank within the HRC platform, customers can efficiently build, train and deploy task-optimized cobot applications. For example, a customer deploying a cobot for high-throughput visual inspection and sorting can rapidly integrate a visual defect detection algorithm trained in FlexMind and bind it with pre-defined sorting logic in SkillBank, achieving efficient deployment and high yield consistency.

Precise Execution

The final execution layer of the HRC platform uses real-time adjustments to correct tiny mechanical errors and reduce unwanted vibrations, and communicates with all cobots' joints and sensors every millisecond for constant synchronization. Our control framework is built on a 1 ms closed-loop cycle over an EtherCAT bus, meaning the system checks and adjusts its movements every one-thousandth of a second using a high-speed communication network called EtherCAT. This ensures high-fidelity synchronization across all joint actuators and sensors, enabling smooth, accurate, and highly responsive motion control. This enables the cobots to respond near-instantaneously to trajectory deviations or environmental disturbances, a capability critical in high-precision applications such as precision machining, intelligent welding, surgeries, and precision grinding.

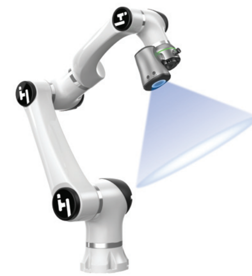
We have also developed advanced force control and motion blending algorithms to ensure smooth transitions across motion states while maintaining stable force output. As of the Latest Practicable Date, we had launched the second-generation version of our vision control system, featuring an internal gigabit Ethernet infrastructure that significantly improves the transmission efficiency of high-resolution sensor data, supporting enhanced real-time perception and control in complex environments.

E Series

Mainly comprising Elfin-Basic, Elfin-Pro and Elfin-Ex Series, our E Series cobots cover both light- and heavy-duty cobots and are designed for high-precision tasks. This series features our proprietary dual-joint modular design, which provides greater flexibility in constrained spaces and expands operational coverage, while enhancing system rigidity, ensuring stable motion under load and improving precision. It also enables smoother trajectories that are critical for vibration-sensitive applications. Building on this mechanical foundation, the E Series adopts our self-developed motors that maintain cogging torque within 2%, in-house servo drives capable of achieving joint control frequencies of up to 2 kHz and proprietary kinematic-error and high-order dynamic-flexibility identification and compensation technologies. These capabilities work together to minimize micro-vibration, deliver fast and accurate motion response and refine end-effector positioning by offsetting errors arising from joint stiffness and structural flexibility. Together, these attributes make the E Series ideal for tasks such as intelligent welding, micro-component assembly and surface finishing, where high accuracy and minimal vibration are essential.

The following pictures present our representative E Series cobots:


Elfin-Basic Series


Elfin-Pro Series


Elfin-Ex Series

Elfin-Basic Series

The Elfin-Basic Series, launched in 2017, features a series of cobot models with application oriented scalability and is differentiated by its scalable design that flexibly supports both light and high load applications across diverse industrial scenarios. With varying payload capacities up to 15kg, working ranges up to 1,800mm, power consumption ranging from 100W to 600W, joint speeds reaching 200°/S and repeatability up to 0.015mm, this product series provides customers with flexible configuration options to meet the demands of both light- and high-load scenarios. Customers can integrate the cobots with external software platforms as needed to meet specific requirements.

The Elfin-Basic Series features industry-leading innovations in architecture design, mainly demonstrated in the following key features, as advised by Frost & Sullivan: (i) a dual-joint module design integrating reducers, motors, encoders, servo drives, brakes and sensors into a compact unit that reduces mechanical complexity, improves reliability and supports scalable architecture, positioning us among the few domestic manufacturers achieving high-density electromechanical integration, (ii) an EtherCAT communication framework enabling up to 2 kHz joint control frequency, unlimited sensor expansion and strong anti-interference performance for stable real-time industrial control, (iii) a flexible 6-DOF coaxial 4/6-axis structure with singularity-optimized mechanics that minimize blind spots, support 360° continuous wrist rotation and ensure smooth trajectories and stable operation in confined workspaces, and (iv) IP68-rated protection delivering reliable performance in harsh environments with oil, moisture or particulate exposure, expanding applicability to more demanding industrial settings.

The Elfin Series cobots are designed for a wide range of industries, including automotive, consumer electronics, new energy, medical laboratories and precision processing. Their flexibility and precision make them suitable for both high-volume manufacturing and specialized tasks requiring accuracy and repeatability. Elfin Series cobots are typically deployed for automated production, assembly, material handling, inspection, machine tending, and laboratory automation. They excel at repetitive, precise and ergonomically challenging operations, ensuring consistent quality and efficiency across diverse application scenarios. Designed for safe and effective collaboration, Elfin Series cobots incorporate advanced safety features such as force and collision detection, enabling them to work alongside human operators without the need for safety cages. This allows human workers to focus on decision-making, creative, or complex problem-solving tasks, while the cobots manage the routine or physically demanding work.

Our Elfin Basic Series has been widely adopted across advanced manufacturing scenarios due to its precision, adaptability and robust system architecture. In semiconductor packaging lines, Elfin Basic Series enable micron level positioning accuracy, Class 100 cleanroom compatibility and millisecond level real time control, enhanced further by our HRC Embodied Intelligence Control Platform for dynamic task adaptation. In CNC machining automation, the Elfin Basic Series replaces repetitive high precision manual loading and unloading with a high rigidity coaxial structure capable of 0.015 mm repeat accuracy, fast drag to teach programming and stable operation under rapid machining cycles. These deployments collectively illustrate the versatility of our cobot platforms in delivering precision, efficiency and safety across advanced manufacturing environments.

We also offer a lithium-version of the E Series cobots (the "**Elfin-Li Series**") in response to the growing demand from lithium battery production lines. While not positioned as an independent product line, the Elfin-Li Series has been commercially offered as a customized solution within the E Series. Equipped with effective motors and customizable mechanical arms, the Elfin-Li Series cobots are capable of meeting most of the requirements across the cell production stages (front, middle, back), enabling customers to build efficient, high-ROI automated production lines for power lithium batteries. Their intrinsic safety design, collision detection mechanism and real-time pressure monitoring capability make our Elfin-Li Series cobots ideal for operating in production environments involving flammable materials and demanding high precision.

Elfin-Pro Series

Building upon the Elfin-Basic Series, the Elfin-Pro Series, launched in 2023, is designed to meet the evolving demands of flexible, high-precision automation. It is differentiated from other models by its deep integration of adaptive force control, machine vision and high speed real time communication, enabling high precision, high mix automation. Featuring integrated adaptive force control, machine vision and environmental adaptability, it is well suited for demanding applications such as intelligent welding, automotive parts processing, medical surgeries and laboratory detection. The Elfin-Pro Series is particularly distinguished by its smooth fusion of hardware and software, positioning it as the most advanced cobot with perception-assisted environment adaptation in the series lineup.

Key features of our Elfin-Pro series include (i) integrated adaptive force control with built-in wiring and strong anti-interference capabilities, enabling stable constant-force output, real-time surface adaptation and precise motion management in high-mix, high-precision assembly tasks, (ii) an integrated machine vision system combining self-developed hardware and software platforms with real-time image processing to deliver accurate visual positioning, object detection, classification and QR code recognition across diverse vision-based applications, and (iii) real-time communication with cycles as fast as 0.5 ms, providing industry-leading trajectory accuracy, smoother operation and safer human-robot collaboration in dynamic production environments.

The Elfin-Pro series cobots are widely deployed in industries such as automotive, electronics, metal processing, and logistics, where they perform tasks including flexible automated production, machine loading and unloading, assembly, and material handling. Leveraging integrated adaptive safety controls and machine vision, these cobots execute high-precision operations such as arc initiation, seam tracking and real-time compensation for workpiece deviation, ensuring consistent quality even at complex joints or irregular surfaces. In laboratory and medical settings, they support applications like medical training and laboratory detection, where accuracy and adaptability are critical. For example, in steel-structure welding, the Elfin-Pro Series enhances complex joint fabrication by combining the E03-Pro model with SkillBank intelligent welding and high-sensitivity six-axis force control, achieving 0.15 mm absolute accuracy and data-driven optimization through FlexMind for stable, high-precision welding with reduced setup and programming time. In vision-integrated laboratory detection, the E05-Pro model extends coverage with a seventh axis and integrated machine vision to automate liquid handling, material transfer and micro-scale alignment with 0.015 mm repeat accuracy and ISO Class 4 cleanroom compliance, enabling 24-hour high-precision laboratory operations.

In addition to the Elfin-Pro Series' capability to deliver precision, adaptability and automation across demanding industrial, medical and laboratory environments, Human workers collaborate closely with the Elfin-Pro cobots by programming, monitoring, and optimizing their performance through an intuitive programming interface, allowing for easy set up, monitor and cobot adjustment to respond to varying production requirements and unexpected issues without requiring extensive technical expertise. The cobots' built-in safety mechanisms, including collision detection and emergency stop functions, ensure that they can work safely alongside humans, automatically pausing or adjusting their actions if a person enters their workspace.

Elfin-Ex Series

Launched in 2021, the Elfin-Ex Series is a specialized explosion-proof cobot series built upon the Elfin-Basic series, designed for safe operation in hazardous environments. Certified under the National Explosion-Proof Standards, the Elfin-Ex Series ensures reliable performance in atmospheres containing flammable gases, vapors and dust. It has proven applications in material handling, equipment maintenance and hazardous substance processing for high-risk industries such as civil explosives, petrochemicals, polishing and grinding, as well as flour processing.

The Elfin-Ex Series is equipped with advanced safety and environmental protection features to support reliable operation in hazardous and industrially demanding environments. It features a positive pressure, explosion-proof sealed structure that circulates clean air within the robot body. The control box is equipped with a positive pressure explosion-proof cabinet and a pressure monitoring control system, providing explosion protection for the control box while continuously monitoring the pressure inside the robot body. In the event of abnormal pressure, the system automatically activates power shutdown protection to mitigate risks. This robust design significantly reduces operational risks in explosive or flammable environments.

Designed for tasks such as automated assembly, machine tending, material handling, and packaging, the Elfin-Ex cobots enable human workers to delegate high-risk or repetitive tasks to cobots while maintaining compliance with stringent safety regulations. The user-friendly interface allows human workers to program and monitor cobots with minimal training, ensuring that adjustments can be made quickly in response to changing production requirements. Enhanced by real-time monitoring and emergency stop functions, the Elfin-Ex Series ensures the safety of nearby human workers and facilitates close human-cobot collaboration.

Building on these capabilities, the Elfin-Ex Series has been successfully applied in a range of high-risk operational scenarios. In gas-station automatic refueling, the Elfin-Ex Series enables fully unmanned 24/7 operation by combining six-dimensional force sensing, 3D vision positioning and a positive-pressure explosion-proof structure that prevents collisions, fuel vapor leakage and ignition risks, significantly enhancing safety and operational efficiency in hazardous petrochemical environments. In automated 4S spray-booth applications, the Elfin-Ex cobot leverages lightweight overhead deployment, IP66 sealing, viscosity-adaptive spray parameters and 0.015 mm repeat accuracy to deliver consistent high-precision coating across vehicle types, while reducing material switching time, VOC emissions and worker exposure to toxic fumes, supporting cleaner, safer and more standardized automotive finishing.

<u>Use Case: Elfin-Pro Series in Steel Structure Welding</u>

Welding complex joints in large-scale steel structures — such as long-span bridges and industrial frameworks — demands high precision, stability and adaptability. Traditional manual or semi-automated welding methods often struggle with slow setup, inconsistent torch angles and poor adaptability to dynamic on-site conditions and dangerous work environment, leading to reduced efficiency and quality.

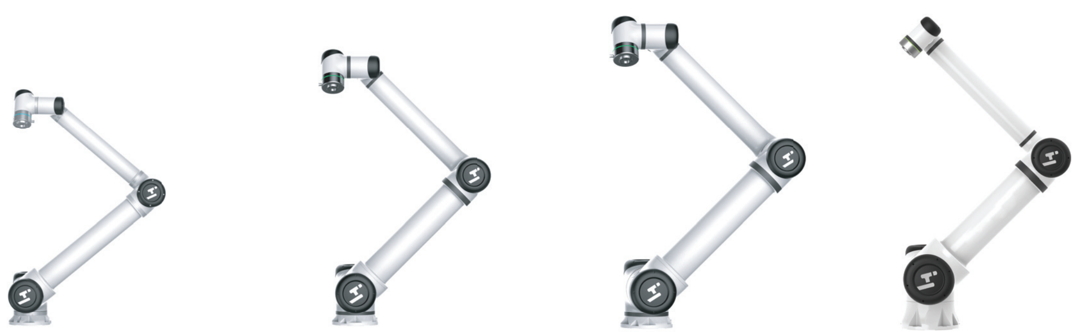
To address these challenges, we have developed the Elfin03-Pro model, integrating SkillBank intelligent welding process package that enables single-person deployment while shortening deployment time. Equipped with high-sensitivity force sensors and a six-axis real-time force control system, the cobot maintains an absolute position accuracy of 0.15mm. It is mainly used for teaching arc starting and arc ending points in welding scenarios.

The intermittent welding mode can effectively reduce the amount of welding heat input and greatly reduce programming time. With FlexMind, the system utilizes data-driven optimization based on real-world welding parameters, such as arc behavior, material characteristics, and joint geometry, to enhance accuracy in beam splicing, joint reinforcement and base welding tasks. Over time, it refines torch positioning, angle compensation and speed strategies, delivering high-precision welding with minimal reliance on complex fixtures.

S Series

Launched in 2023, the S Series cover both light- and heavy-duty cobots. With a maximum payload of up to 60 kg, the S Series uses our self-developed frameless torque motors—motors comprising only a stator and rotor that are directly integrated into the joint without an external housing or transmission interface—to deliver joint torque of up to 72 Nm and substantially higher output torque than the E Series. Together with an optimized reducer design that maintains joint temperatures below 68°C even under a 50 kg full-load, the S Series offers the strength, stability and efficiency required for high-payload, high-throughput industrial scenarios such as palletizing, machine tending, material transfer and logistics automation. Its high mechanical strength and modularity also support rapid deployment in both standalone and integrated production systems.

The following picture presents our representative S Series cobot:



The S Series is categorized into different models based on payload capacity to serve diverse application needs. Key features of the S Series include (i) highest payload capacity in the industry, offering up to 2,000 mm reach and 60 kg payload, the highest among major players according to Frost & Sullivan, and further enhanced by the S50 model launched in May 2025, which upgrades payload capacity, motion speed, structural rigidity and collaborative safety, (ii) safety collaboration, integrating collision detection, dynamic electronic fences, high-precision torque sensing, haptic feedback, 3D light curtains or LiDAR, optional TOF sensors and a 360° perception network combining visual, infrared and ultrasonic sensing to proactively avoid collisions and minimise impact, (iii) rapid response and flexibility, featuring EtherCAT end-effector communication, high-power supply support, Gigabit Ethernet and a 2 kHz refresh rate for precise real-time control, supported by open interfaces that enable seamless integration with WMS and rapid adaptation to

SKU, payload or workflow changes, and (iv) modular design for easy customization and development, allowing configurable arm modules and mechanical structures for fast assembly, deployment, maintenance and upgrades, enabling efficient adaptation to production-line changes with minimal downtime.

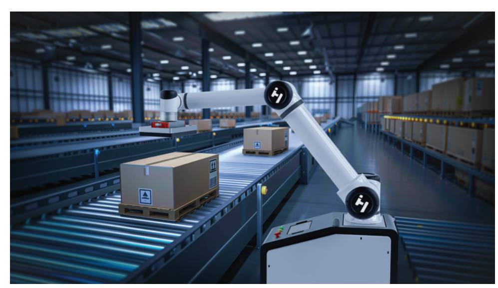
Designed for applications such as logistics palletizing, machine tending, material transfer and automation, the S Series enables rapid deployment across both standalone setups and integrated production environments with its high modularity and robust mechanical design. In the deployment of S Series cobots, human workers remain central to the workflow, with the cobots designed specifically to complement and enhance human capabilities rather than replace them.

Collaboration between humans and cobots is facilitated by intuitive interfaces, such as tablet-based controls, which enable operators with minimal technical background to program and adjust the cobots quickly. The cobots' advanced safety features, including force and proximity sensors, ensure that they can operate in close proximity to humans without risk of injury. When a human enters the cobot's workspace, the system can automatically slow down or pause operations, resuming only when it is safe to do so.

Similar to the Elfin-Li Series, we also offer a lithium-version of the S Series cobots (the "**S-Li Series**") in response to the growing demand from lithium battery production lines. Equipped with effective motors and customizable mechanical arms, the S-Li Series excels in impact resistance and operation speed, ensuring stable performance even in challenging tasks. Although not launched as an independent product line, the S-Li Series has been commercialized as a customized solution under the S Series for lithium battery production applications.

Use Case: S Series in Food Manufacturing

A food manufacturer was facing increasing demands for flexibility, including frequent product changeovers and multi-category material handling. Traditional industrial robots were unable to meet these needs due to complex deployment, difficulty in switching production, and limited efficiency.



To address these challenges, we introduced our S Series cobots with a rated payload of 35kg and a working radius of 1800mm — ideal for handling standard packaging and pallets in the food and beverage industry. When paired with a lifting column, it can achieve a palletizing height of up to 2.2 meters. The system delivers a palletizing cycle time of up to 13 times per minute, with a single-arm power consumption of just 1000W. Equipped with our self-developed effective motors and vibration suppression algorithms, the cobot ensures stable operation even under full load. Through the integration of SkillBank palletizing process package, it supports automatic switching between single and dual suction, dual-line interleaved palletizing, custom stack patterns, and process data tracking. These features empower customers to meet flexible production demands while reducing costs and boosting efficiency.

Core Motion Components

We develop and manufacture a suite of effective core motion components, including frameless torque motors, servo drives, joint modules and precision motion platforms. We are the only cobot provider among top players in China that offers our core motion components for external sales. Our components serve a wide range of customers and applications, including frameless torque motors for humanoid robotics and automotive systems, servo drives for 3C, laser marking and semiconductor equipment, joint modules for robotics and industrial automation, and precision motion platforms used in gene sequencing, optical communications, nano 3D printing and direct-write lithography. We protect our proprietary technologies through contractual confidentiality obligations and dedicated IP protection measures. Our core technologies also adopt advanced encryption and one-way engineering; for example, key algorithms in our servo drives are converted into encrypted binaries that remove readable code and design structures, making them effectively impossible to copy or reverse-engineer.

Frameless Torque Motors

Torque motors are specialized electric motors designed to deliver high torque at low speeds and are widely used in cobots to enhance accuracy and repeatability. Our frameless torque motors, as compact direct drive actuators, eliminate traditional mechanical transmission components, enabling tight integration, smooth motion and high responsiveness. They are critical enablers for cobots, humanoid joints and high precision automation, particularly in space constrained and dynamic applications. Our product portfolio covers a range of low voltage frameless motors suitable for different sizes, payloads and speed requirements, and is applied in areas such as industrial automation, palletizing and other high precision use cases.

Key features of our frameless torque motors include: (i) enhanced torque through optimized pole-slot and magnetic circuit design, achieving up to 72 Nm and 18.7 Nm/kg — about 20% above international peers, (ii) superior heat dissipation enabled by high-conductivity epoxy and advanced vacuum potting for cooler, more reliable operation, (iii) low loss and high efficiency with slot geometry and winding processes that deliver over 85% slot fill rate, reducing resistance and boosting torque output, and (iv) high product consistency achieved through automated precision manufacturing, maintaining phase resistance and inductance imbalance below 1%.

Servo Drives

Servo drives serve as the execution core of robotic motion control systems, directly affecting responsiveness, accuracy and system stability. Leveraging over two decades of development experience, we have integrated FPGA based control architecture with the EtherCAT communication protocol to support high frequency, low latency multi axis coordination. Our dual drive module design enables flexible integration and space efficiency, while proprietary system identification and auto tuning capabilities enhance performance under dynamic operating conditions.

Key features of our servo drives that enhance performance in robotic motion control systems include (i) safety, achieved through advanced control architectures that ensure reliable operation; (ii) precision, enabled by high order trajectory planning and feedforward control that minimise tracking errors; (iii) vibration and jitter suppression, delivered through mechanical resonance suppression and iterative learning algorithms; and (iv) encoder protocol compatibility, supporting BiSS, EnDat, 1Vpp analogue and TTL incremental interfaces for flexible system integration.

Joint Modules

Joint modules are integrated assemblies that combine core motion components into a single unit to enable precise and efficient robotic joint movement. We offer two types of joint modules: cobot joint modules and humanoid joint modules. The cobot joint modules are designed to enhance flexibility, precision and ease of maintenance for industrial cobot applications, while the humanoid joint modules support human like movements with high dexterity and strength, making them suitable for dynamic tasks across various industries.

Cobot Joint Module

Humanoid Joint Module

Cobot Joint Module

The cobot joint module is designed to enhance cobot performance through a dual-joint design that integrates two joints into a single module, improving flexibility, motion efficiency and ease of maintenance in constrained spaces. Built on proprietary direct-drive motors and servo systems with a modular design, it balances performance and cost-effectiveness. Our cobot joint modules cover a wide range of models from lightweight to heavy-duty, explosion-proof configurations, and are applied across industrial automation, medical and service applications, as well as research and education scenarios.

Key features of our cobot joint module include (i) a dual joint modular design that integrates two joints into one module to optimise kinematics and singularities, enhancing flexibility and reducing maintenance complexity; (ii) high integration of core components, combining self developed hollow motors, high response servos, precision encoders and torque sensors for integrated drive-control-sensing with high precision and reliability; (iii) precision and accuracy, achieving repeat positioning accuracy up to 0.015 mm and absolute positioning accuracy of 0.15 mm with power off memory; and (iv) high protection and reliability, featuring an IP66 rating for dust and water resistance and EtherCAT control for fast, stable communication.

Humanoid Joint Module

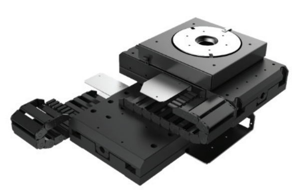
The humanoid joint module is designed to enable humanoid robots to perform human like movements with high agility and precision, supporting applications that require flexibility such as walking, object manipulation and balance control. It is applicable across multiple robot configurations, including upper and lower limbs as well as the torso and head, and is suited for dynamic and complex use cases in industrial automation, medical assistance and service robotics where human like interaction and dexterity are required.

Key features of our humanoid joint module include (i) an integrated, modular design that combines dual encoders, a torque sensor, brake, reducer, torque motor, drive system and temperature sensors into a compact, high torque density unit with strong disturbance resistance; (ii) a lightweight and compact structure; (iii) precise control and high dynamic response enabled by dual absolute encoders, advanced force control algorithms, low jitter and high repeatability; (iv) a 2 kHz control frequency that ensures smooth, agile movement in high intensity tasks; and (v) versatile compatibility for arm, leg, neck and waist joints.

Precision Motion Platforms

Precision motion platforms are advanced mechanical systems designed to deliver ultra fine, stable and accurate multi axis motion for applications where precise positioning is critical, such as gene sequencing, optical communications and semiconductor manufacturing. Our offerings include XY(T) precision motion platforms, which are designed for high speed, high stability planar motion and are well suited for applications such as line scan imaging and inspection requiring smooth and continuous horizontal movement, and Z precision motion platforms, which focus on high precision vertical positioning with fast response and are suitable for short stroke, high frequency applications such as micro alignment, focusing and precision lifting in industrial and scientific environments.

The following pictures present our representative precision motion platforms:



XY(T) precision motion platform Z precision motion platform

Our Precision Motion Platforms can be applied in gene sequencing instruments, where extremely stable, high precision movement is needed to support high speed line scan imaging. Our solution includes an XY(T) motion platform designed for accurate linear motion correction and an ultra responsive Z axis platform for precise focus control. Together, they provide nanometer level positioning accuracy, low velocity fluctuation, reduced vibration, and compatibility with demanding installation requirements, making them suitable for sequencing applications with stringent throughput and reliability needs.

OUR TECHNOLOGIES

Grounded in robust core motion component capabilities, we have achieved vertical integration across the cobot value chain, establishing full-stack capabilities encompassing core motion component development, cobot hardware design and manufacturing and intelligent control platform development. This integrated approach ensures interoperability between each component, allowing for optimal cobot performance and reliability.

Core Motion Component Development Platform

We possess comprehensive in-house development capabilities across all core motion components critical to cobots, including torque motors, servo drives, reducers and joint modules.

- ***Motor development***. Our motor development is driven by over two decades of expertise in electromagnetic design, enabling us to produce frameless torque motors with power density, efficiency and reliability. These motors serve as the power source for cobots, humanoid robots and precision motion platforms, designed to meet the needs of both industrial automation and advanced robotics.

- ***Servo Drive Development***. We are the leader in servo drive technology development, with proprietary control algorithms integrated into FPGA-based control architecture and EtherCAT communication. This integration provides high synchronization, low latency and real-time precision for multi-axis control in dynamic robotic applications, establishing our servo drives as a cornerstone of high-performance robotic systems.

- ***Module Design and Production***. We were the first company globally to apply a dual-joint module design to cobots. This dual-joint module combines precision and load-bearing capability with high flexibility, ideal for applications requiring compact designs and robust performance. These modules incorporate our deep knowledge of motor, servo drive and reducer integration, allowing us to design innovative solutions for evolving applications in robotics, automation and service robotics.

By developing torque motors, servo drives and joint modules in-house, we can design cobots that are more compact, precise, and reliable. For example, torque motors, which generate rotational force directly, allow for slimmer cobot arms that can operate in tight spaces, while servo drives, responsible for controlling the motion and position of the motors, enable smoother, more coordinated movements that are critical for tasks like electronics assembly or delicate material handling. The dual-joint module design, which integrates multiple motion components to provide rotational movement and support, can be used to create cobots with greater flexibility and load capacity, making them suitable for both lightweight pick-and-place operations and heavier industrial tasks. This level of integration also allows for easier maintenance, faster upgrades, and the ability to quickly tailor cobots to specific customer requirements or new applications.

Robot Control System

We have developed a robot control system that integrates technologies in motion, safety, trajectory planning and compliance. This system ensures the precise, reliable and adaptive operation of our cobots.

- ***High-Performance Robotic Control System***. This system integrates the HRApp plugin platform and robot scription, utilizing EtherCAT to achieve a control frequency up to 2kHz. The system incorporates advanced kinematics and dynamics algorithms to realize safe, precise, and real-time operations.

- ***High-Precision Motion Control***. This system identifies and compensates kinematic and high-order dynamic flexibilities, enabling precise end-effector control to address the kinematic errors and structural flexibility issues cobots may experience in high-precision operational scenarios. This technology reduces errors caused by joint stiffness and compliance, achieving absolute positioning accuracy of 0.15 mm.

- ***Safety Protection Control***. We have adopted a dual-channel redundant safety controller system with real-time collision detection and protection algorithms operating at a 0.5 ms response time. The system includes real-time collision protection, dynamic safety zone planning, and momentum/power constraint monitoring, enabling proactive deceleration or stop responses upon detecting potential collision risks.

- ***Adaptive Compliance Control***. We have independently developed a high-precision adaptive force control algorithm with a control accuracy of 1 Newton, referring to the minimum controllable force deviation at the end effector, to address uncertainties cobots encountered in workpiece position, material stiffness, and contact force. Additionally, a model-based, sensorless compliant drag teaching technology allows the cobot to perceive external forces and perform smooth, natural drag movements, reducing teaching complexity and enhancing operational flexibility.

- ***Online Optimal Trajectory Planning***. We have adopted an online optimal trajectory planning algorithm under high-order dynamic constraints to balance cycle time and motion smoothness during robot operations. This method takes into account factors such as speed, acceleration, joint load, and structural flexibility to precisely control robot motion profiles, improving operational efficiency and meeting the demands of industrial applications.

- ***Multi-Axis Coordinated Motion Control***. We have developed our proprietary coordinated motion planning technology for robots and auxiliary axes to address planning and coordination challenges in scenarios involving cobots with external axes or multi-robot collaboration. Such technology enables precise, synchronized multi-channel, multi-robot trajectory planning, overcoming issues of poor coordination and low synchronization accuracy, and is suited for complex production lines, automated machining units, and logistics handling systems.

Cobots with advanced robot control system can deliver accurate and safe operation in industrial environments. For instance, high-frequency control and advanced kinematics allow cobots to perform precision assembly or machining tasks with minimal error, even when handling small or delicate parts. The safety controller ensures that the cobot can work alongside humans by instantly detecting and responding to collisions, making it suitable for collaborative workstations. Adaptive compliance control enables the cobot to handle objects with varying stiffness or to perform tasks like polishing or insertion without damaging parts. Multi-axis coordination allows several cobots, or cobots with external axes, to work together seamlessly on complex production lines, increasing throughput and flexibility.

HRC Embodied Intelligence Control Platform

Our HRC Embodied Intelligence Control Platform is an integrated control system that enables multimodal perception, automatic decision-making and high-precision execution for intelligent human-robot collaboration. Serving as the foundational layer for scenario-based development and application scalability across our cobot product portfolio, the HRC platform supports our customers in developing cobot applications that involve dynamic, real-time interaction between cobots and their environments in diverse industrial settings. For details about multimodal perception based on the HRC platform, see "— Our Product Portfolio — Collaborative Robots — Our HRC Embodied Intelligence Control Platform."

Logistic-centric Decision-Making and Model Architecture

Our HRC platform is built around a logistic-driven decision-making paradigm that emphasizes contextual reasoning according to multimodal input based on pre-defined algorithm pool, enabling cobots to respond adaptively in complex industrial environments.

At the core of this capability is FlexMind, our proprietary engineering platform designed to support scenario-specific logic development and simulation. The platform includes multiple technical modules that assist engineers in defining, validating and optimizing rule-based control logic for cobot applications.

FlexMind incorporates a structured architecture consisting of: (i) foundational configuration templates developed using advanced representation models, which assist engineers in generalizing across common motion and perception configurations, (ii) vertical scenario modules based on domain specific data such as visual force trajectory sequences, enabling engineers to design and optimize logic workflows tailored to industrial tasks including welding, insertion and palletizing, and (iii) high performance simulation and validation tools that allow engineers to evaluate rule based logic under dynamic operating conditions and test response strategies across complex scenarios.

FlexMind accelerates logic development and enhances deployment efficiency, supporting broad adaptability across complex industrial application scenarios. Logistic-centric decision-making allows cobots to make context-aware choices during operation. For example, a cobot equipped with this technology can dynamically adjust its workflow if it detects a missing part, an unexpected obstacle, or a change in production priority. The FlexMind platform enables engineers to quickly develop and simulate new task logic, so cobots can be rapidly reprogrammed for different jobs — such as switching from welding to palletizing — without extensive downtime. This adaptability is especially valuable in industries with high-mix, low-volume production, where flexibility and quick changeovers are essential.

Knowledge Embedding and Process Generalization

Complementing our model-driven reasoning system, we have developed SkillBank, a structured knowledge repository of reusable task modules. Each module encapsulates motion primitives, tool parameters and logic transitions for a defined task, such as arc-start welding, compliant insertion torque-limited fastening. These modules are fully interoperable with FlexMind models and can be invoked through the HRC platform for fast deployment.

Together, FlexMind and SkillBank support structured logic reuse across tasks and scenarios, enabling rapid configuration and reducing deployment cycle time.

Real-time Execution and Precise Control

Our execution system integrates rule-based logic with low-latency actuation. We have developed real-time control algorithms, including mechanical compensation, force trajectory modulation and anti-vibration control, which enable continuous and precise motion. The HRC platform operates on a 1 ms control loop based on EtherCAT, enabling synchronization across multiple degrees of freedom with millimeter-level accuracy.

Cobots use real-time control algorithms and a fast 1 ms control loop to achieve smooth, accurate movements, even when performing complex tasks like force-guided assembly or vibration-sensitive operations. The advanced vision control system enables cobots to process high-resolution sensor data quickly, allowing them to adapt instantly to changes in their environment and maintain precise positioning during tasks such as inspection or pick-and-place in dynamic settings.

Through the integration of sensing, structured logic and real-time execution, our system enables scalable, scenario-optimized cobot behavior that supports complex industrial applications.

Safety Technologies

Our core safety technologies encompass virtual wall technology, Dynamic Fencing technology and e-skin technology, which can be deployed together for agile collision evasion and adjustment, enabling our cobots to operate efficiently and safely within the human workspace. As a testament for our safety technologies, we have received safety certifications such as RoHS, CE-MD, ISO 15066, ISO 13849, and CE-EMC.

We apply these safety technologies to enable the cobots to detect and avoid collisions with people or objects in real time. These technologies allow cobots to operate safely alongside humans, automatically stopping or adjusting their path when someone enters a restricted area, and ensuring compliance with international safety standards.

Virtual Wall Technology

Virtual wall technology is a critical safety feature designed to define and enforce restricted operating zones for cobots to prevent unintended collisions. This technology allows operators to create either planar or volumetric restricted areas that the cobots must not enter. When the cobot approaches or crosses into these zones, it automatically halts and triggers an error. To resume operation, the cobot must be reset and repositioned into the pre-defined safe area. In planar mode, the boundary is defined using the Z-axis of the user coordinate system, separating safe and restricted zones along a flat surface. In spatial mode, a rectangular three-dimensional exclusion zone is created through either two-point or single-point teaching. Two-point teaching defines opposite corners of the restricted space, while single-point teaching sets a central point and extends boundaries along the X, Y, and Z axes. The system actively monitors the direction of the cobot's movement and dictates whether the cobot moves or pauses. This technology is essential for ensuring controlled, predictable, and safe robotic operation in human-robot collaborative environments.

Dynamic Fencing Technology

We install safety electronic fences or laser radars at the entrances and key positions of the cobot's working area to detect whether personnel or objects enter its proximity. If an intrusion is detected, the electronic fences will be triggered, causing the cobot to stop moving. We have equipped our cobots with high-sensitivity force sensors and a six-dimensional real-time force control system. In precise free-drive mode, the drag positioning accuracy is within 1 millimeter, which is crucial for teaching arc initiation and termination points in welding scenarios.

E-Skin Technology

E-skin technology is an advanced safety system designed to enhance human-robot interaction by enabling cobots to detect and respond to nearby objects without physical contact. The non-contact safety e-skin uses conductive sensing to detect the approach of conductive materials — including humans, metals, and liquids — within a 15 cm radius. When such an object enters this zone, the cobot slows down or stops within milliseconds to prevent collisions. Once the object exits the detection zone, the cobot resumes its programmed path. While in operations, e-skin demonstrates rapid response times — detecting objects in 16 milliseconds and initiating deceleration within 100 milliseconds. By integrating real-time environmental sensing directly onto the cobot body, non-contact e-skin significantly improves both operational safety and the cobot's ability to work dynamically alongside human workforce.

RESEARCH AND DEVELOPMENT

We are committed to advancing robotic motion control technologies and their practical applications. Our R&D efforts integrate key technologies across the entire development cycle, from core component development to advanced control systems, enabling us to design and deliver competitive cobot and core motion component products. Our R&D efforts have all been performed in-house. We have not in-licensed any material intellectual property rights or outsourced R&D processes to third parties. We generally do not undertake any research and development projects in collaboration with third parties. During the Track Record Period, our research and development expenses were RMB55.4 million, RMB85.7 million, RMB47.3 million, RMB33.9 million and RMB51.0 million in 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 50.6%, 48.8%, 15.2%, 16.4% and 18.1% of our total revenue in each respective period, and representing 50.8%, 44.6%, 46.5%, 46.0% and 38.0% of our operating expenditure in each respective period. During the Track Record Period and up to the Latest Practicable Date, there was no legal claim or proceeding that may have an influence on the R&D of our Specialist Technology Products.

R&D Team and Core Members

Our R&D team is structured into two key areas: a fundamental research team, focused on product development, and an applied research team, dedicated to supporting downstream equipment suppliers. As of September 30, 2025, our R&D team consisted of 159 industry experts and senior engineers experienced in the robotics field. Our core R&D team members have an average of over 10 years of experience in motor and servo control technologies, with strong academic background and extensive domestic or overseas working experience in reputable technology companies.

We have identified core R&D members based on their leadership in major technology roadmaps, expertise in areas such as motor control, AI algorithms and motion systems, and their contributions to the design and commercialization of our products. The following table outlines the profiles of our core R&D members:

- Mr. Wang Guangneng (王光能), the founder and general manager of our Company, holds both a bachelor's and a master's degree from Beihang University. With over 20 years of technical experience in motors and drives, Mr. Wang worked at ASM Technology Singapore Pte. Ltd. (currently known as ASMPT Singapore Pte. Ltd.) a leading global provider of semiconductor assembly and packaging equipment, as well as at Han's Laser, where he focused on R&D in electronics and control systems. During his tenure at Han's Laser, he led the team that developed and commercialized the digital galvanometer, earning the second prize of the National Technological Invention Award. Mr. Wang is a leader of national major projects and has been recognized as an expert in the strategic expert database by the Guangdong Provincial Development and Reform Commission, an expert in the Shenzhen expert database, and a robotics industry expert. He has received numerous accolades, including the second prize of the National Technological Invention Award, first, second and third prizes of the Guangdong Science and Technology Award, and first, second and third prizes of the Shenzhen Science and Technology Progress Award, as well as the Shenzhen Technological Invention Award. As an inventor, Mr. Wang has contributed to 211 patents as of the Latest Practicable Date. As of the Latest Practicable Date, Mr. Wang beneficially owned 3.15% of the total issued share capital of the Company. In addition, Mr. Wang ultimately controlled 35.84% voting rights, which are attached to the 25.10%, 4.20%, 1.73%, 0.81%, 1.91%, 1.11%, 0.55% and 0.42% of the total issued share capital of our Company held by Zhirentuan, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun, respectively.

- Mr. Zhang Guoping (張國平), the co-founder and CTO of our Company, holds both a bachelor's and a master's degree from Beihang University. He has over 20 years of technical experience in the field of electronics engineering, having worked at ASM Assembly Automation Ltd. as well as at Han's Laser. Mr. Zhang has led numerous national, provincial and municipal R&D projects and has been recognized as a high-level talent in Shenzhen. He has received accolades such as the Guangdong Science and Technology Award and has been honored as an expert in the Shenzhen expert database, as well as in power electronics and servo control. As an inventor, Mr. Zhang has contributed to 204 patents as of the Latest Practicable Date. As of the Latest Practicable Date, Mr. Zhang beneficially owned 0.45% of the total issued share capital of the Company, and was a limited partner of Zhirentuan and Zhirenle, respectively, holding a total of 3.05% partnership interests therein.

- Mr. Du Weimin (杜衛民), our technical director, holds a bachelor's degree in Electrical Engineering and Automation and a master's degree in Motors and Electrical Appliances from Henan Polytechnic University. With over 10 years of experience in motor design, he is well-versed in various motor principles, processes, applications and development. Mr. Du is responsible for the design and development of all motors used in our cobot arms, enhancing their performance and expanding their application scenarios. As of the Latest Practicable Date, Mr. Du was a limited partner of Zhirenying and Zhirenle, respectively, holding a total of 0.06% partnership interests therein.

- Mr. Hao Yu (郝瑜), the head of our AI department, has over 15 years of extensive experience in automation, industrial vision and AI intelligence. He holds both a bachelor's and a master's degree from the University of Science and Technology of China. Mr. Hao has held significant positions at internationally renowned companies such as ASM Technology Hong Kong Limited, Huawei and Han's Laser. He has been actively involved in and led numerous national and provincial research projects, tackling critical technological challenges. Since joining the company, Mr. Hao has spearheaded the development of the robotic vision system and the no-teach intelligent welding products, driving technological innovation within the industry and enabling the multifaceted application of robots in various production stages. He is also responsible for creating and managing an industrial-grade AI embodied intelligence platform, significantly advancing the industrial implementation of intelligent technologies. Mr. Hao is the owner of several patents. As of the Latest Practicable Date, Mr. Hao was a limited partner of Zhirenxing and Zhirenxue, respectively, holding a total of 0.21% partnership interests therein.

- Mr. Gao Yuebo (高月波), the director of the drive department, oversees the development of servo drives and precision motion platforms. He holds a bachelor's degree in Automation and a master's degree in Power Electronics and Power Drives from Xi'an University of Science and Technology. With 15 years of experience in hardware design and development, Mr. Gao has been involved in numerous key provincial and municipal projects focused on servo drive development. He has successfully achieved the domestic mass production of drives for semiconductor assembly and testing equipment as well as the localization of precision motion platforms for medical equipment. As of the Latest Practicable Date, Mr. Gao was a limited partner of Zhirenxing and Zhirenxue, respectively, holding a total of 0.20% partnership interests therein.

- Mr. Zhang Peng (張鵬), our robotics algorithm development manager, holds a master's degree in Mechanical Engineering and has nearly 10 years of experience in full-stack development for cobots. He is an expert in algorithm architecture design and implementation, with a primary focus on motion control and planning, kinematics and dynamics analysis, as well as force-position compliance control for cobots. Mr. Zhang leads a team in building a high-performance motion control platform for cobots, achieving product implementation in high-precision control, dual-channel human-robot collaboration safety and adaptive force-position control. He has also contributed to several core patent innovations. As of the Latest Practicable Date, Mr. Zhang was a limited partner of Zhirenxing and Zhirenxue, respectively, holding a total of 0.18% partnership interests therein.

We maintain the stability of key management and technical teams through a diversified compensation incentive system and comprehensive welfare protection mechanisms. Furthermore, we have developed a structured talent program, regularly providing professional trainings, while supporting our R&D personnel participating in industry summits to stay tuned to technological advancement. Our key R&D personnel for our core business line remained stable during the Track Record Period. In the event of termination of employment requested by a key staff, we closely communicate with the staff members regarding the reason behind their departure by way of feedback for us. We also recruit candidates with relevant knowledge and skills through online recruitment, internal referrals and employment agencies, among others, to timely replenish our talent pools and avoid the negative impact that could be caused by the departure of any key staff.

The salient terms of agreements with management and technical staff are set forth below:

- *No conflict of interest*. Employees must not engage in activities that conflict with our business interests or work for competitors during employment.

- *Confidentiality*. Employees are required to protect our technical and commercial confidential information during employment and within the agreed period after termination of employment.

- *Inventions arrangement*. Intellectual property rights in inventions, designs, know-how and intellectual property developed during the performance of employees' duties or while using our resources during employment are owned by us.

- *Proprietary information arrangement*. Employees must return all documents and materials containing confidential or proprietary information upon termination of employment. Departing employees are required to confirm, through a formal agreement, that they waive any known or potential disputes with us, including those with respect invention and proprietary information.

- *Non-competition*. During employment, employees must not engage in business activities that compete with us without our prior written consent.

Our Key R&D Projects

We have continuously invested in R&D projects since our inception to advance our technologies. The following chart illustrates the details of some of our ongoing key R&D projects as of the Latest Practicable Date:

No.	R&D Area	R&D Project	Descriptions
1. . .	Hardware/Cobot Development	New Force-Control Joint Module Development	Focusing on enhancing collaborative robots with advanced force feedback capabilities to improve safety and precision in various applications.
2. . .	Cobot Development	Elfin-Pro Vision Project	Aiming to develop robotic arms integrating internal wiring with AI vision technology to create a closed-loop "perception- decision-execution" system for online inspection, intelligent decision-making, and guidance

No.	R&D Area	R&D Project	Descriptions
3. . .	Control System Development	Next-Generation High-Performance Robot Control System Upgrade	Developing upgraded iterations of HRC platform
4. . .	Servo Algorithm Development	Servo Parameter Optimization Project	Optimizing servo parameters to enhance performance and precision, with a focus on vibration suppression and auto-tuning.
5. . .	Motor Development	M Sense motor Process Improvement Project	Focusing on power density, efficiency improvement and operational smoothness.
6. . .	Precision Motion Platform Development	Wafer Air-Floating Platform XY(T) Project	Developing advanced air-floating platforms for precision applications in semiconductor testing.
7. . .	Humanoid Robot Joint and Arm Development	Humanoid Robot Project	Developing humanoid robot joints and arms with a focus on high torque density, dynamic precision control and ultra-compact integration.

Our R&D Process

Our R&D process follows a structured framework that takes into account key factors such as customer demand, feasibility analysis, technological advancements and use cases. Our R&D process primarily includes (i) concept stage, where we assess customer needs and market demand to initiate projects; (ii) design stage, where system requirements are defined and module level design documentation is completed; (iii) development and testing stage, where detailed design, prototyping and system testing are carried out; and (iv) verification and commercialization stage, where trial production is reviewed and products proceed to mass production upon meeting required standards.

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 (i) establishing a dedicated intellectual property management team to oversee the identification, protection and enforcement of our intellectual property; (ii) developing and maintaining a robust patent portfolio to secure our core technologies and actively enforcing intellectual property rights through legal action when necessary; (iii) implementing confidentiality agreements with employees, partners and suppliers to safeguard sensitive business information and trade secrets; and (iv) regularly reviewing and updating our intellectual property strategy to ensure continued protection of our innovations in response to market changes and technological advancements.

As of the Latest Practicable Date, we held 238 patents across multiple jurisdictions, including 94 invention patents, 65 utility model patents and 74 design patents (totaling 233 patents) in the PRC, one in the European Union, one in South Korea, two in the United States and one in Japan. We also held 53 software copyrights, 113 registered trademarks in the PRC and two registered trademarks in Hong Kong as of the Latest Practicable Date. Our intellectual property rights cover key technical areas as illustrated in the table below. We believe that we had sufficient intellectual property protection in place to cover the material aspects of each of our major Specialist Technology products or services as of the Latest Practicable Date.

The table below sets forth the key intellectual property rights corresponding to the core technologies applied in our Specialist Technology Products:

Patent Number	Patent Title	Corresponding Product	Core Technology	Function/ Application Scenario	Date of grant	Expiry date
201810561211.0 . .	Absolute position measurement using dual incremental encoders ("雙增量式編碼器測量絕對位置方法和裝置")	Cobot	Encoder parsing technology	Reduces encoder costs for modules by enabling absolute position sensing with dual incremental encoders.	01/01/2021	01/01/2041
201911006991.3 . .	Encoder group position compensation method for robotic modules ("編碼器組位置補償方法、機器人模組位置補償方法")	Cobot	Module-level position compensation	Improves absolute positioning accuracy of the robotic modules.	08/19/2022	08/19/2042
202210025909.7 . .	Safety control circuit, control method and servo driver ("安全控制電路、控制方法及伺服驅動器")	Cobot	Robot body drive	Complies with ISO13849 functional safety standard and improves usability.	12/08/2023	12/08/2043
202210153487.1 . .	Singularity avoidance method for robotic wrist joints ("一種機器人腕關節奇異規避方法及系統")	Cobot	Wrist joint singularity avoidance	Improves trajectory execution and passability through wrist joint singularities in non-attitude- constrained processes such as palletizing or welding.	02/20/2024	02/20/2044
202210502576.2 . .	Servo driver, servo system and robot ("伺服驅動器、伺服系統及機器人")	Cobot	Robot body drive	Improves reliability, redundancy control and safe brake release.	06/27/2023	06/27/2043
202210533020.X . .	Robot controls and robots ("機器人控制 裝置和機器人")	Cobot	Robot controller software	Improve the operational performance of cobots	12/07/2024	12/07/2044
202210556095.X . .	A modular multi-robot collaborative control method ("一種模塊化多機器人協 作控制方法")	Cobot	Robot control system	Enhance multi-robot collaborative operations	05/25/2023	05/25/2043
202210598478.3 . .	一種協作機器人高精度多傳感融合測距系 統("A type of high-precision multi-sensor fusion ranging system for cobots")	Cobot	Multi-mimetic sensor technology	Improve the safety of cobot operations	12/07/2024	12/07/2044

Patent Number	Patent Title	Corresponding Product	Core Technology	Function/ Application Scenario	Date of grant	Expiry date
202210652748.4 . .	Automated welding method and system based on collaborative robots ("一種基於協作機器人的自動化焊接方法及系統")	Cobot	Cobot welding process package	Adds support for laser and argon arc welding processes, thereby expanding application scope.	05/23/2023	05/23/2043
202210208702.3 . .	Cobot control methods, devices, cobots and storage media ("協作機器人 的控制方法、裝置、 協作機器人和存儲介 質")	Cobot	Robot controller software	Improve the operational performance of cobots	05/31/2024	05/31/2044
202210408266.4 . .	Cobot control methods, devices, computer equipment, and storage media ("協作機器人控制方法、 裝置、計算機設備和 存儲介質")	Cobot	Robot controller software	Improve the operational performance of cobots	06/14/2024	06/14/2044
202211127334.6 . .	Collision detection method for robotic arms ("機械臂的碰撞檢測方法、裝置和計算機設備")	Cobot	Hardware-level collision detection	Optimizes collision detection performance for real-time applications in complex environments.	10/31/2023	10/31/2043
202210018402.9 . .	Servo drives, drive methods and equipment ("伺服驅動器,驅動方法及設備")	Servo driver	Robot motor control	Improve the operational performance of motors	08/29/2023	08/29/2043
202211245209.5 . .	Auto-tuning method and system for servo driver parameters ("伺服驅動器參數自整定方法、裝置和計算機設備")	Servo driver	System identification	Enables automatic tuning of servo parameters without manual intervention.	02/20/2024	02/20/2044
202210342575.6 . .	Motor control method and system for serve driver ("電機控制方法、裝置、計算機設備和儲存介質")	Torque Motors	Robot controller software	Improves joint motor control efficiency	06/27/2023	06/27/2043
202310722875.1 . .	PID parameter determination for robot motors ("機器人電機PID參數確定方法、裝置和計算機設備")	Torque Motors	Robot motor control	Improves accuracy and stability of joint control.	07/18/2023	07/18/2043

Patent Number	Patent Title	Corresponding Product	Core Technology	Function/ Application Scenario	Date of grant	Expiry date
202210444972.4 . .	Positioning platform and system (“定位平台和定位系統”)	Precision motion platform	Magnetic spring suspension	Enables adjustable hovering position and improved precision.	02/20/2024	02/20/2044
202111518267.6 . .	A cable installation structure (“一種關節模組線纜安裝結構及關節模組”)	Joint module	Joint module cable installation structure	Enhances the reliability of internal electrical harnesses in the joint and reduces the complexity of installation operations.	04/12/2024	04/12/2044
202210465206.6 . .	Electromagnetic brake control device and electromagnetic brake equipment (“電磁抱閘控制裝置及電磁抱閘設備”)	Joint module	Robot control technology	Enhance the safety and precision of robot	08/12/2023	08/12/2043
202210986793.3 . .	Joint module and collaborative robot (“關節模組及協作機器人”)	Joint module	Joint module encoder installation structure	Improves the reliability of the joint encoder and enhances protection level for greater safety and dependability.	07/12/2024	07/12/2044
202210652748.4 . .	Automated welding method and system based on collaborative robots (“一種基於協作機器人的自動化焊接方法 及系統”)	Application scenario	Robot controller software	Enhance the applicability of welding robot	05/23/2023	05/23/2043

We confirm that all of the above listed intellectual property rights are significant for carrying out the key functions of our Specialist Technology Products and no other material intellectual property rights are directly applied in our Specialist Technology Products.

Intellectual Property Rights Protection

We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our technology. We have entered into confidentiality agreements and non-competition agreements with all employees who have access to trade secrets or confidential information about our business. Our employees are generally required to enter into a standard employment contract that includes a clause acknowledging that all inventions, trade secrets, developments and other processes generated by them during their employment with us are our properties and assigning to us any ownership rights that they may claim in those works. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes or any other pending legal proceedings of intellectual property rights with third parties.

We also own a number of registered trademarks and pending trademark applications. During the Track Record Period and up to the Latest Practicable Date, we had registered trademarks for our Company and our corporate logo in China and other jurisdictions and are seeking trademark protection for our Company and our corporate logo in other jurisdictions where available and appropriate.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material legal, arbitral or administrative proceedings or claims of infringement of any intellectual property rights in which we may be a claimant or a respondent. Our Directors confirm that they are not aware of any legal, arbitral or administrative proceedings of infringement of any third parties' intellectual property rights by us during the Track Record Period and up to the Latest Practicable Date.

COMMERCIALIZATION

We are a company specializing in cobots and core motion components, seeking to list on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules, on the basis that, among other things, we satisfy the requirements under Rule 18C.03 of the Listing Rules as a Commercial Company (as defined in the Listing Rules) with reference to our expected market capitalization at the time of Listing. We have adopted a transaction-based model for the sales of our products. Since the launch of our first cobot in 2017, we have achieved rapid commercialization of both cobot and core motion component products over the past decade. As of the Latest Practicable Date, we had achieved the successful commercialization of two major cobot series and all core motion component products. The following table illustrates the key commercialization timelines of our major products, reflecting our sustained commitment to the commercial application of advanced technologies:

Specialist Technology Products	Launch	Start of Revenue Generation	Mass Production
Cobots			
E Series			
Elfin-Basic	2017	2017	2018
Elfin-Pro	2023	2023	2023
Elfin-Ex	2021	2021	2022
S Series	2023	2023	2023
S20	2023	2023	2023
S30	2024	2024	2024
Others	2023	2023	2023
Core Motion Components			
Frameless Torque Motors(1)	2017	2023	2018
Servo Drives	2017	2018	2018
Joint Modules	2017	2018	2018
Precision Motion Platforms	2018	2018	2018

Note:

(1) We launched frameless torque motors in 2017 and utilized them in our products since 2018 without offering them as a standalone product. We began to offer frameless torque motors as part of our core motion component products in 2023.

Our industry consultant, Frost & Sullivan, confirms and our Directors and Joint Sponsors are of the view that each of our products and services fall within an acceptable sector of a Specialist Technology Industry, namely, Robotics and Automation under Advanced Hardware and Software as defined under Chapter 18C of the Listing Rules, on the basis that (i) all of our cobot products involve the engineering of robots, computer software and machines for the improved performance of tasks and/or automation processes, and all such cobot products are sensor-driven and programmable products and thus fall within the definition of smart product designs; (ii) all of our core motion components, including frameless torque motors, servo drives, joint modules and precision motion platforms, constitute "enabling technologies" for the development of robot technology as contemplated under Chapter 18C of the Listing Rules, which provide essential motion control, precision and actuation capabilities that are fundamental to the development and advancement of robotic and automated systems, and directly contribute to the engineering of robots for the improved performance and automation of tasks and processes. We have met the revenue requirement of HK$250 million to qualify as a Commercial Company in 2024 as set out in Rule 18C.03(4) of the Listing Rules.

Our customer engagement centers on delivering adaptable cobot products built on our high performance core motion components and modular control software, allowing partners to manage final deployment and scenario specific customization. Pre sales technical assessments involve our sales, solution support and engineering teams working with customers to evaluate feasibility through simulations, model matching and on site tests. After a solution is confirmed and contracts are executed, we manufacture and deliver products according to customer specifications. Our products typically carry 12–24 month warranties covering quality related defects, with repair or replacement provided during the warranty period and optional maintenance services offered thereafter at a reasonable cost.

We have experienced rapid business growth during the Track Record Period. The following table sets forth a breakdown of our revenue by nature of products and services for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Sale of products	**108,943**	**99.5**	**174,076**	**99.3**	**308,202**	**99.3**	**204,341**	**99.1**	**280,033**	**99.7**
– Cobots	65,133	59.5	120,257	68.6	235,509	75.9	158,060	76.6	207,565	73.9
– Core motion components	43,810	40.0	53,819	30.7	72,693	23.4	46,281	22.4	72,468	25.8
Cobot services[(1)]	**499**	**0.5**	**1,304**	**0.7**	**2,239**	**0.7**	**1,883**	**0.9**	**847**	**0.3**
Total	**109,442**	**100.0**	**175,380**	**100.0**	**310,441**	**100.0**	**206,224**	**100.0**	**280,880**	**100.0**

Note:

(1) Primarily represent the revenue derived from our provision of quality assurance and maintenance services in relation to our cobots sold to customers.

The following table sets forth a breakdown of our sales volume and average selling price ("**ASP**") by E Series and Series cobot products for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Sales Volume	*ASP (RMB)*	*Sales Volume*	*ASP (RMB)*	*Sales Volume*	*ASP (RMB)*	*Sales Volume*	*ASP (RMB)*	*Sales Volume*	*ASP (RMB)*
E Series	843	63,194	1,728	58,285	2,854	64,829	1,906	65,483	2,556	55,941
S Series	–	–	93	86,753	310	79,378	191	82,729	808	56,388

The sales volume of both our E Series and S Series cobot products witnessed increasing trends during the Track Record Period.

The ASP of E Series cobot products decreased from RMB63,194 in 2022 to RMB58,285 in 2023, and decreased from RMB65,483 in the nine months ended September 30, 2024 to RMB55,941 in the same period in 2025, whereas the gross profit margin for our E Series cobot products remained relatively stable at 25.8% in 2022 and 25.5% in 2023, and increased from 35.6% in the nine months ended September 30, 2024 to 37.3% in the same period in 2025. This was primarily due to our (i) effective cost control measures, including negotiating lower procurement and processing costs with core suppliers, adopting validated alternative materials for key components, improving production processes to reduce wastage and labor input, and enhancing efficiency through automation and optimized staffing, which led to reduced costs and sales prices; and (ii) strategic sales price reductions to capture a larger market share. The ASP of E Series cobot products increased from RMB58,285 in 2023 to RMB64,829 in 2024, primarily because of the significant increase in the proportion of sales to overseas customers, including Neura Robotics. Our sales prices to overseas customers are generally higher than those to domestic customers.

The ASP of S Series cobot products decreased from RMB86,753 in 2023 to RMB79,378 in 2024, whereas the gross profit margin for our S Series cobot products increased from 34.4% in 2023 to 40.4% in 2024, primarily attributable to the same reasons as those for the changes in the ASP and gross profit margin for the E Series cobot products from 2022 to 2023 and from the nine months ended September 30, 2024 to the same period in 2025 as mentioned above. The ASP of S Series cobot products decreased from RMB82,729 in the nine months ended September 30, 2024 to RMB56,388 in the same period in 2025, primarily because we increased the sales of S Series cobots to a domestic customer for their deployment in consumer scenarios, where performance and payload requirements are relatively low. Compared to higher-payload S Series cobots, the products we provided to this customer required less torque, enabling the use of lower-cost motors, reducers and other components. This results in a lower overall unit cost, and correspondingly lower selling price.

Given the relatively small revenue contribution of our core motion component business and the wide variety of product models involved, the sales volume and ASP of such components may not be directly comparable across periods or provide meaningful insight into our overall pricing trends.

The following table sets forth our key operating metrics during the Track Record Period:

	Year ended/As of December 31,			Nine months ended/As of September 30,
	2022	2023	2024	2025
Number of new customers[1]	239	306	390	299
Number of key customers[2]	38	55	77	62
Total number of customers	298	493	525	478
Customer acquisition cost (RMB'000)	133.7	197.5	107.5	131.5
Key customer revenue contribution (%)	72.9	76.6	82.9	84.9
Key customer retention rate[4] (%)	N/A	86.8	83.6	80.4
Key customer net dollar retention rate (%)[5]	N/A	131.2	169.6	124.5

Notes:

(1) Refers to the number of customers that generated revenue for the first time during the relevant year/period.

(2) Refers to customers with revenue contribution of RMB500,000 or more during a given year/period.

(3) Refers to selling and distribution expenses divided by the number of new customers acquired during the relevant year/period.

(4) Refers to the percentage of key customers in the previous year/period that made repeat purchases during the current year/period.

(5) Refers to the percentage of recurring revenue generated from key customers in the previous year/period that is retained from those same customers in the current year/period.

Our total number of customers increased from 298 in 2022 to 493 in 2023, and further to 525 in 2024, and amounted to 478 in the nine months ended September 30, 2025, primarily in line with our business growth. Our number of new customers increased from 239 in 2022 to 306 in 2023, and further to 390 in 2024, and reached 299 in the nine months ended September 30, 2025. The increase in our key customer net dollar retention rate from 131.2% in 2023 to 169.6% in 2024 was primarily driven by higher recurring revenue from existing key customers, reflecting their increased adoption and expanded usage of our products and services. We recorded a key customer retention rate of 80.4% and key customer net dollar retention rate of 124.5% in the nine months ended September 30, 2025.

Our customer acquisition cost increased from RMB133.7 thousand in 2022 to RMB197.5 thousand in 2023, primarily due to an increase in selling and distribution expenses, particularly as a result of higher employee compensation and increased sales and marketing activities in line with revenue growth. Our customer acquisition cost then then decreased to RMB107.5 thousand in 2024, primarily due to a decrease in selling and distribution expenses, as we optimized the efficiency of our selling and marketing efforts by focusing on key customers in certain downstream application scenarios and benefited from enhanced market recognition of our technology and products. This allowed us to acquire a greater number of new customers with lower business promotion expenses, resulting in a lower average customer acquisition cost. Our customer acquisition cost then increased to RMB131.5 thousand in the nine months ended September 30, 2025, primarily due to higher selling and distribution expenses, which were driven by our intensified promotional efforts that contributed to an increase in sales volume.

PRICING

Our pricing policy is tailored to the technical specifications of each product type. Cobots are typically priced considering factors such as payload capacity, precision and level of customization. In addition, in terms of core motion components, frameless torque motors are generally priced based on torque and torque density, with more advanced models reflecting higher performance levels. Servo drivers are typically priced according to their ability to handle greater precision or larger loads. Joint modules are generally priced depending on the number of joints, load capacity and accuracy. For precision motion platforms, pricing varies according to the number of axes and required precision. We aim to strike a balance between maintaining competitive pricing and ensuring the long-term sustainability of our business by providing value to our customers. We employ a tiered pricing model that adjusts based on factors such as purchase volume and the strategic nature of the partnership. For example, for large-scale customers and strategic partners, we may offer pricing that reflects the long-term collaboration potential. As advised by Frost & Sullivan, the ASP of our products is in line with the industry range.

OUR SALES NETWORK

We adopt a scenario-centric go-to-market strategy centered on collaborative ecosystem development with partners. Guided by this strategy, we have established strong relationships with industry participants worldwide. As of the Latest Practicable Date, our products had been sold to over 1,000 customers across over 50 countries and regions, with overseas markets contributing 37.9% of our total revenue in the nine months ended September 30, 2025.

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

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Chinese Mainland	80,729	73.8	128,936	73.5	154,542	49.8	105,792	51.3	174,846	62.2
Europe	18,191	16.6	31,190	17.8	124,328	40.1	78,982	38.3	83,167	29.7
– Germany	11,651	10.6	23,556	13.4	116,489	37.5	73,418	35.6	69,203	24.6
Americas	3,098	2.8	8,118	4.6	24,025	7.7	15,846	7.7	12,942	4.6
– United States	1,334	1.2	4,476	2.6	16,781	5.4	9,391	4.6	8,329	3.0
Others[(1)]	7,424	6.8	7,136	4.1	7,546	2.4	5,604	2.7	9,925	3.5
Total	**109,442**	**100.0**	**175,380**	**100.0**	**310,441**	**100.0**	**206,224**	**100.0**	**280,880**	**100.0**

Note:

(1) Primarily including other regions in Asia such as Malaysia and South Korea, as well as Australia.

We have established an extensive sales network through direct sales and distributors, ensuring broad market coverage and diverse consumer touchpoints. Our direct sales customers mainly include system integrators and end users. Our distributors are primarily established regional industrial automation distributors with technical expertise and value-added services, as well as specialized automation solution providers focusing on industries such as automotive, electronics and machinery manufacturing. We strengthen ecosystem engagement by validating application scenarios jointly with our customers, making our products a core components of our customers' applications.

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

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Direct Sales										
– System integrators										
– Standardized equipment manufacturers	61,279	56.0	114,839	65.5	230,246	74.2	148,993	72.2	212,869	75.8
– Non-standardized equipment manufacturers	15,043	13.7	23,666	13.5	36,751	11.8	25,433	12.3	42,046	15.0
– Subtotal of system integrators	76,323	69.7	138,505	79.0	266,997	86.0	174,426	84.6	254,915	90.8
– End users	25,634	23.4	22,202	12.7	24,218	7.8	18,682	9.1	11,034	3.9
Subtotal of direct sales	**101,957**	**93.2**	**160,707**	**91.6**	**291,215**	**93.8**	**193,108**	**93.6**	**265,949**	**94.7**
Distributors	**7,485**	**6.8**	**14,672**	**8.4**	**19,226**	**6.2**	**13,116**	**6.4**	**14,931**	**5.3**
Total	**109,442**	**100.0**	**175,380**	**100.0**	**310,441**	**100.0**	**206,224**	**100.0**	**280,880**	**100.0**

Direct Sales

During the Track Record Period, we derived substantially all our revenue from direct sales to customers. Our direct sales customers primarily comprise: (i) system integrators, which include standardized and non-standardized equipment manufacturers, and (ii) end users.

System integrators are companies that specialize in the design, assemble and implementation of complete robotic or automation solutions tailored to a customer's specific application needs with our cobots as an integral component of these solutions. System integrators typically focus on particular industries, possessing deep expertise in the downstream requirements and unique technical processes of their respective sectors. Our major customers that are system integrators operate across a range of sectors, including medical technology companies specializing in medical hardware and software systems for medical aesthetics and rehabilitation therapy, providers of intelligent equipment and automation solutions for industrial manufacturing, and robotics companies focused on advanced automation and human-robot collaboration.

System integrators can be further classified into standardized equipment manufacturers and non-standardized equipment manufacturers. Standard equipment manufacturers create turnkey automation solutions tailored to their specific scenarios and market applications. They focus on producing equipment that meets industry standards and can be widely used across various applications without the need for extensive customization. On the other hand, non-standardized equipment manufacturers specialize in customizing and adapting solutions to fit the unique requirements of individual clients, often involving complex system configurations and bespoke engineering.

We also directly sell products to end users, who directly deploy our products, mainly including power battery manufacturers and consumer electronics manufacturers.

The salient terms of our typical sales agreements with our direct sales customers are set forth below.

- *Duration*. Most of our sales agreements with our direct sales customers are one-off purchase and sale agreements.

- *Payment and credit terms*. We may extend customers a credit period of 30 to 90 days, or the flexibility of installment payments, on a case-by-case basis.

- *Inspections upon arrival*. We require our customers to timely inspect the products after their arrivals.

- *After-sales services*. We provide free-of-charge warranty services for 12-24 months upon delivery of the products, including onsite inspection and repair services.

Distributors

In line with market practice, we engage distributors who are primarily established regional industrial automation distributors with technical expertise and value-added services, as well as specialized automation solution providers focusing on industries such as automotive, electronics and machinery manufacturing. We believe that by engaging distributors, we are able to leverage their experience and knowledge of the target local markets as well as their existing sales networks and resources, which can help us to expand our market reach over a wider geographical area and achieve deeper market penetration than if we were to proceed with direct sales and marketing alone without having to incur substantial sales and marketing costs. To our best knowledge, there were no sub-distributors in our sales network during the Track Record Period and up to the Latest Practicable Date.

Our relationship with our distributors is a buyer and seller relationship, where our distributors directly acquire cobots and related products from us. We allow returns and/or exchanges for limited circumstances such as quality defects or damages during transportation. We recognize sales revenues from distributors when the control over our products is transferred to them.

We have established stringent selection criteria for new distributors to ensure they are well-prepared to represent our brand and effectively promote our products. In evaluating potential distributors, we consider several key factors, including their existing resources and influence within the relevant industry, their alignment with and recognition of our brand values, and their willingness to invest resources in market development.

We conduct annual performance evaluation to monitor the activities of our distributors. Our evaluation is primarily based on the follow aspects: achievement of sales targets, brand development efforts, technical service capabilities, business management (including timely payments and integrity), and overall compliance. In addition, our technical support and marketing department provides systematic training to strengthen distributors' understanding of our development strategy.

We have been continuously optimizing our distributor network throughout the Track Record Period. The following table sets forth the movement in the number of our distributors during the periods indicated:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
Number of distributors as at the beginning of period	5	16	30	26
Addition of new distributors	11	15	8	6
Termination of distributors	–	1	12	12
Number of distributors as at the end of period	**16**	**30**	**26**	**20**

As of December 31, 2022, 2023 and 2024 and September 30, 2025, we engaged 16, 30, 26 and 20 distributors, respectively. We ceased to renew distribution agreements with 12 distributors in 2024 and another 12 distributors during the nine months ended September 30, 2025, primarily due to their failure to meet their sales target following a comprehensive evaluation that also took into account market demand in such distributors' downstream industries and changes in their own business condition.

Below sets forth a summary of the typical key terms of our standard agreements with distributors:

- *Term*. The duration of distribution agreements is typically 12 months, subject to renewal by mutual agreement.

- *Retail prices and minimum purchase amount*. We agree with our distributors on the retail prices of the relevant products. Subject to market conditions and raw material price fluctuations, we may carry out strategic price adjustments and notify our distributors accordingly. We reserve the right to impose fines or terminate agreement for distributors who violate our pricing policies. Minimum annual purchase amounts are agreed with each distributor and are typically set based on a range of dynamic factors, including projected sales targets, their operational scale, cumulative purchase record and credit history.

- *Scope of distribution*. We typically determine the scope of distribution for each distributor based on different scenarios and industries.

- *Penalties for Cannibalization*. We expressly prohibit distributors from selling products outside of their designated channels and geographical regions. In addition, we regularly monitor any cannibalization activities and may impose fines or terminate agreements with distributors who sell products outside of their designated channels and regions.

- *Return or exchange policy*. Distributors shall complete the inspection and acceptance of products within seven days after delivery. After acceptance, returns or exchanges are not permitted except for product quality issues.

- *Warranties*. We typically provide product warranty for a period of 18 months from the date of shipment. If the product fails to meet the applicable quality standards and falls into the defined warranty scope during the warranty scope, we fulfill our warranty obligations through repair, replacement, or other appropriate remedies.

- *Payment and credit terms*. We grant credit limits to distributors based on their annual purchase amounts, the cooperation relationship and the results of negotiations between both parties, which may be up to 30% of the purchase value. Payment terms generally require settlement within 60 days after month-end.

- *Termination.* Either party may terminate the agreement based on reasonable grounds by giving 30 days' prior written notice.

- *Confidentiality.* Distributors are required to maintain the confidentiality of our business, including technical and commercial information both during and after the term of the agreement.

Given that our products are primarily supplied with a high level of customization options, distributors are unlikely to accumulate excess inventory without receiving specific customization requirements from their end customers. As advised by Frost & Sullivan, it is customary in our industry for distributors not to maintain significant inventory levels; instead, they typically place orders only after receiving confirmed orders from end users. Consistent with this practice, and considering that our typical order fulfillment cycle from order placement to delivery only takes about one month, which enables timely replenishment without requiring excessive inventory buildup, our distributors primarily serve to broaden our market reach and generally place orders with us on a demand-driven basis. To the best of our knowledge, our major distributors during the Track Record Period (who, where applicable, collectively accounted for approximately 76%, 61%, 47% and 76% of total revenue from distributorship in each year/period during the Track Record Period) did not maintain any inventory at the end of each year/period during the Track Record Period and up to the Latest Practicable Date. In addition, we generally do not accept product returns from distributors except in cases involving product quality issues. This policy discourages speculative ordering and promotes disciplined order planning. Our sales personnel also proactively and consistently communicate with distributors and would dynamically adjust these metrics to establish reasonable expectations regarding market conditions and sales targets. With the foregoing policies and in light of the historical purchase patterns of our distributors, we believe that our distributor management policy, including the sales targets, would serve to better incentivize distributors to expand customer reach and promote our products rather than stockpiling inventory, and our risk of channel stuffing associated with distributors is low.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material breach of distribution agreements that had a significant impact on our business. During the same period, we did not have any material disputes with, or any material return or exchange of products from, our distributors that had a significant impact on our business. 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. To our best knowledge, there was no employment, financing or family relationship between our distributors and us during the Track Record Period and up to the Latest Practicable Date.

MARKETING

We believe that scenario-centric marketing strategies are crucial to the expansion of our customer base and the promotion of our brand image. By targeting enterprises that prioritize quality, precision and performance, we aim to cultivate long-term business relationships. This approach has resulted in a high retention rate and strong customer loyalty. In addition to maintaining long-term and stable relationships with our existing customers, we actively seek to expand our customer base by targeting new customers in core application scenarios and industries for cobots. We conduct marketing through both online and offline channels. We actively promote our products through various search engines and social media platforms. Offline, we participate in trade shows, forums and industry exhibitions to engage directly with potential customers and showcase our innovations. In addition, we actively reach out to target customers, especially system integrators, based on specific application scenarios. We also regularly evaluate our marketing strategies to establish approaches that are appropriate and effective for our business.

OUR CUSTOMERS

Our customers primarily include system integrators, end users and distributors, who are mainly industrial automation solution providers and equipment manufacturers across sectors including cognitive robotics, semiconductors, genetic sequencing, power batteries and consumer electronics. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, our revenue from the five largest customers in each year/period during the Track Record Period was RMB56.1 million, RMB85.2 million, RMB188.1 million and RMB155.4 million, respectively, accounting for 51.2%, 48.5%, 60.6% and 55.3% of our total revenue for the respective year/period. In the same years/periods, our revenue from our largest customer in each year/period during the Track Record Period was RMB27.3 million, RMB31.4 million, RMB116.1 million and RMB69.5 million, accounting for 24.9%, 17.9%, 37.4% and 24.7% of our total revenue for the respective year/period.

The following table sets forth the details of our five largest customers by revenue for 2022:

Year ended December 31, 2022

No.	Customer	Type	Background	Products sold	Revenue attributable to the customer	% of our total revenue	Year of commencement of business relationship with us	Typical credit term
					(RMB in million)			
1. . .	Customer A	Standardized equipment manufacturer	A life science technology company headquartered in Shenzhen, Chinese Mainland, with focuses on the R&D and manufacturing of genetic sequencing equipment and related products	Primarily core motion components	27.3	24.9	2019	Payment within 30 days after goods receipt
2. . .	Han's Laser and its affiliates	End user, Standardized equipment manufacturer, Non-standardized equipment manufacturer, Distributor	A provider of intelligent manufacturing equipment and industrial automation solutions headquartered in Shenzhen, Chinese Mainland	Cobots and core motion components	12.6	11.5	2018	30/120-day payment, or partial prepayment
3. . .	Neura Robotics[(1)]	Standardized equipment manufacturer	A robotics company headquartered in Metzingen, Germany, specializing in the development of cognitive robots	Cobots and core motion components	11.7	10.6	2020	Payment within 30 days after goods receipt

Year ended December 31, 2022

No.	Customer	Type	Background	Products sold	Revenue attributable to the customer	% of our total revenue	Year of commencement of business relationship with us	Typical credit term
					(RMB in million)			
4. . .	Customer B	Distributor	A robotics solutions provider headquartered in Kuala Lumpur, Malaysia, specializing in the delivery of comprehensive automation systems for manufacturing industries	Cobots	2.7	2.5	2018	Prepayment
5. . .	Customer C	End user	A company headquartered in Zhejiang, Chinese Mainland, specializing in the research, development, manufacturing and export of automotive lamps	Cobots	1.9	1.7	2021	50% prepayment; 45% after acceptance; 5% after three months
Total.					56.1	51.2		

Note:

(1) Neura Robotics was a joint venture of the Group as of December 31, 2022.

The following table sets forth the details of our five largest customers by revenue for 2023:

Year ended December 31, 2023

No.	Customer	Type	Background	Products sold	Revenue attributable to the customer	% of our total revenue	Year of commencement of business relationship with us	Typical credit term
					(RMB in million)			
1. . .	Customer A	Standardized equipment manufacturer	A life science technology company headquartered in Shenzhen, Chinese Mainland, with focuses on the research, development and manufacturing of genetic sequencing equipment and related products	Cobots and core motion components	31.4	17.9	2019	Payment within 60 days after acceptance and invoicing
2. . .	Neura Robotics	Standardized equipment manufacturer	A robotics company headquartered in Metzingen, Germany, specializing in the development of cognitive robots	Cobots	23.5	13.4	2020	Payment within 30 days after goods receipt
3. . .	Han's Laser and its affiliates	End user, Standardized equipment manufacturer, Non-standardized equipment manufacturer, Distributor	A provider of intelligent manufacturing equipment and industrial automation solutions headquartered in Shenzhen, Chinese Mainland	Cobots and core motion components	16.7	9.5	2018	30/120-day payment, or partial prepayment

Year ended December 31, 2023

No.	Customer	Type	Background	Products sold	Revenue attributable to the customer	% of our total revenue	Year of commencement of business relationship with us	Typical credit term
				(RMB in million)				
4. . .	Customer D	Standardized equipment manufacturer	A medical technology company headquartered in Shenzhen, Chinese Mainland, specializing in the provision of medical furniture and medical hardware and software systems	Cobots	8.4	4.8	2022	Partial prepayment
5. . .	Customer E	Standardized equipment manufacturer	A biotech company headquartered in Shenzhen, Chinese Mainland, specializing in the research, development and manufacturing of gene sequencing equipment and related products	Core motion components	5.1	2.9	2022	Payment within 30 days after goods receipt
Total.				85.2	48.5			

The following table sets forth the details of our five largest customers by revenue for 2024:

Year ended December 31, 2024

No.	Customer	Type	Background	Products sold	Revenue attributable to the customer	% of our total revenue	Year of commencement of business relationship with us	Typical credit term
				(RMB in million)				
1. . .	Neura Robotics	Standardized equipment manufacturer	A robotics company headquartered in Metzingen, Germany, specializing in the development of cognitive robots	Cobots and core motion components	116.1	37.4	2020	Payment within 30 days after goods receipt
2. . .	Customer A	Standardized equipment manufacturer	A life science technology company headquartered in Shenzhen, Chinese Mainland, with focuses on the research, development and manufacturing of genetic sequencing equipment and related products	Cobots and core motion components	30.3	9.7	2019	Payment within 60 days after acceptance and invoicing
3. . .	Han's Laser and its affiliates	End user, Standardized equipment manufacturer, Non-standardized equipment manufacturer, Distributor	A provider of intelligent manufacturing equipment and industrial automation solutions headquartered in Shenzhen, Chinese Mainland	Cobots and core motion components	16.1	5.2	2020	30/120-day payment or partial prepayment

Year ended December 31, 2024

No.	Customer	Type	Background	Products sold	Revenue attributable to the customer	% of our total revenue	Year of commencement of business relationship with us	Typical credit term
				(RMB in million)				
4. . .	Customer F	Standardized equipment manufacturer	A leading CNC manufacturer headquartered in Oxnard, California	Cobots	15.4	5.0	2019	Prepayment
5. . .	Shenzhen Niuer Commercial Robot	Standardized equipment manufacturer	A company headquartered in Shenzhen, Chinese Mainland, specializing in the manufacturing of semiconductor equipment	Cobots	10.2	3.3	2021	30% upon delivery; balance payable within 90 days
Total.				188.1	60.6			

Nine months ended September 30, 2025

No.	Customer	Type	Background	Products sold	Revenue attributable to the customer	% of our total revenue	Year of commencement of business relationship with us	Typical credit term
				(RMB in million)				
1. . .	Neura Robotics	Standardized equipment manufacturer	A robotics company headquartered in Metzingen, Germany, specializing in the development of cognitive robots	Cobots and core motion components	69.5	24.7	2020	Payment within 30 days after goods receipt, or within 30-45 days after delivery
2. . .	Shenzhen Niuer Commercial Robot	Standardized equipment manufacturer	A company headquartered in Shenzhen, Chinese Mainland, specializing in the manufacturing of semiconductor equipment	Cobots	34.6	12.3	2021	Payment within 90 days after delivery
3. . .	Customer A	Standardized equipment manufacturer	A life science technology company headquartered in Shenzhen, Chinese Mainland, with focuses on the R&D and manufacturing of genetic sequencing equipment and related products	Primarily core motion components	27.8	9.9	2019	Payment within 60 days after acceptance and invoicing
4. . .	Customer F	Distributor	A provider of solutions for motion control subsystems in high-end equipment headquartered in Shenzhen, Chinese Mainland	Core motion components	12.4	4.4	2021	Prepayment, or payment within 15 days after receipt
5. . .	Customer G	Standardized equipment manufacturer	A leading CNC manufacturer headquartered in Oxnard, California	Cobots	11.1	3.9	2019	Prepayment
Total.					155.4	55.3		

Save as discussed above, as of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or, to the knowledge of Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest customers.

OUR SUPPLIERS

Our major suppliers are providers of key raw materials and components, primarily including electronic and electrical components, standard mechanical parts, custom parts and auxiliary equipment such as speed reducers, encoders, optical instruments and sensors. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB36.1 million, RMB44.5 million, RMB65.6 million and RMB50.3 million, respectively, representing 38.1%, 35.4%, 32.3% and 28.8% of our cost of sales for the respective year/period. Purchases from our largest supplier in each year/period during the Track Record Period accounted for 12.7%, 14.4%, 12.2% and 7.7% of our cost of sales for the respective year/period.

The following table sets forth the details of our five largest suppliers by cost of sales for 2022:

Year ended December 31, 2022							
No.	Supplier	Background	Products/ services provided to us	Purchase cost	% of our total cost of sales	Year of commencement of business relationship with us	Typical credit term
				(RMB in million)			
1. . .	Supplier A	An engineering technology company located in the United Kingdom specializing in the provision of precision optical devices	Optical tools and instruments	12.0	12.7	2018	Payment within 30 days after delivery
2. . .	Neura Robotics[1]	A robotics company headquartered in Metzingen, Germany, specializing in the development of cognitive robots	Reducers/ modules/ encoders	8.7	9.2	2021	30-day monthly settlement
3. . .	Han's Laser and its affiliates	A provider of intelligent manufacturing equipment and industrial automation solutions headquartered in Shenzhen, Chinese Mainland	Reducers/ motors	6.2	6.6	2021	120-day monthly settlement
4. . .	Supplier B	An equipment manufacturer headquartered in Suzhou, Chinese Mainland, specializing in the provision of distribution and precision transmission components	Reducers	4.9	5.2	2018	Prepayment
5. . .	Supplier C	A company headquartered in Shenzhen, Chinese Mainland, specializing in the provision of CNC machining, electronics, automotive and medical devices	Structural parts/ machined parts	4.2	4.4	2020	60-day monthly settlement
Total.				36.1	38.1		

Notes:

(1) Neura Robotics was a joint venture of the Group as of December 31, 2022.

The following table sets forth the details of our five largest suppliers by cost of sales for 2023:

Year ended December 31, 2023

No.	Supplier	Background	Products/ services provided to us	Purchase cost	% of our total cost of sales	Year of commencement of business relationship with us	Typical credit term
				(RMB in million)			
1. . .	Supplier D	A technology company headquartered in Shenzhen, Chinese Mainland, specializing in the research, development and manufacturing of reducers and mechatronic systems	Reducers	18.1	14.4	2018	30-day monthly settlement
2. . .	Supplier A	An engineering technology company located in the United Kingdom specializing in the provision of optical devices	Optical tools and instruments	8.2	6.5	2021	Payment within 30 days after delivery
3. . .	Neura Robotics	A robotics company headquartered in Metzingen, Germany, specializing in the development of cognitive robots	Reducers/ modules/ encoders	6.9	5.5	2018	30-day monthly settlement
4. . .	Supplier E	A technology company headquartered in Shenzhen, Chinese Mainland, specializing in the provision of mod components, non-standard automation equipment	Structural parts/ machined parts/ injection molded parts	6.4	5.1	2018	60-day monthly settlement
5. . .	Supplier F	A company headquartered in Shenzhen, Chinese Mainland, specializing in the provision of electronic components and enterprise computing solutions	Surface mounted devices/ MOS tube/ magnet ring/relay	4.9	3.9	2018	Payment within 30 days after delivery
Total.				44.5	35.4		

The following table sets forth the details of our five largest suppliers by cost of sales for 2024:

Year ended December 31, 2024

No.	Supplier	Background	Products/ services provided to us	Purchase cost	% of our total cost of sales	Year of commencement of business relationship with us	Typical credit term
				(RMB in million)			
1. . .	Neura Robotics	A robotics company headquartered in Metzingen, Germany, specializing in the development of cognitive robots	Reducers/ modules/ encoders	24.8	12.2	2021	30-day monthly settlement
2. . .	Supplier D	A technology company headquartered in Shenzhen, Chinese Mainland, specializing in the research, development and manufacturing of reducers and mechatronic systems	Reducers	16.0	7.9	2018	30-day monthly settlement

Year ended December 31, 2024

No.	Supplier	Background	Products/ services provided to us	Purchase cost	% of our total cost of sales	Year of commencement of business relationship with us	Typical credit term
				(RMB in million)			
3. . .	Supplier A	An engineering technology company located in the United Kingdom specializing in the provision of precision optical devices	Optical tools and instruments	10.1	5.0	2018	Payment within 30 days after delivery
4. . .	Supplier E	A technology company headquartered in Shenzhen, Chinese Mainland, specializing in the provision of mod components, non-standard automation equipment	Structural parts/ machined parts/ injection molded parts	8.0	3.9	2018	60-day monthly settlement
5. . .	Supplier G	A company headquartered in Shenzhen, Chinese Mainland, specializing in the manufacturing of precision metal components	Structural parts/ machined parts	6.7	3.3	2021	60-day monthly settlement
Total.				65.6	32.3		

Nine months ended September 30, 2025

No.	Supplier	Background	Products/ services provided to us	Purchase cost	% of our total cost of sales	Year of commencement of business relationship with us	Typical credit term
				(RMB in million)			
1. . .	Supplier D	A technology company headquartered in Shenzhen, Chinese Mainland, specializing in the research, development and manufacturing of reducers and mechatronic systems	Reducers	13.4	7.7	2018	Payment within 30 days after goods delivery
2. . .	Supplier A	An engineering technology company located in the United Kingdom specializing in the provision of optical devices	Optical tools and instruments	12.3	7.0	2021	30-day monthly settlement
3. . .	Neura Robotics	A robotics company headquartered in Metzingen, Germany, specializing in the development of cognitive robots	Reducers/ modules/ encoders	11.7	6.7	2018	30-day monthly settlement
4. . .	Supplier H	An engineering technology company headquartered in Hong Kong, specializing in the provision of optical devices	Integrated circuit	7.1	4.1	2020	Payment within 30 days after delivery
5. . .	Supplier E	A technology company headquartered in Shenzhen, Chinese Mainland, specializing in the provision of mod components, nonstandard automation equipment	Structural parts/ machined parts/ injection molded parts	5.8	3.3	2018	60-day monthly settlement
Total.				50.3	28.8		

Below sets forth the salient terms of our standard agreements with suppliers:

- *Payment terms*. Monthly settlement, triggered by (i) a supplier-submitted signed contract and valid VAT invoice; (ii) error-free reconciliation and internal approval; (iii) product acceptance by the buyer/end-user; (iv) complete delivery/certification documents; and (v) a written payment request.

- *Quality control*. Products must meet specified standards. The supplier is responsible for addressing any quality defects found after acceptance, including replacement or repair, at no extra cost.

- *Inspection and after-sales*: Products are subject to inspection upon delivery. If defects are found during use, the supplier must accept returns or repairs at their expense. A 24-month warranty period is provided.

- *Termination.* We may terminate the agreement if (i) the supplier fails to deliver the products on time with a delay exceeding 10 days; (ii) if the delivered products are counterfeit, infringe third-party intellectual property rights, or are otherwise non-compliant; or (iii) if the products fail to meet required quality standards upon inspection.

- *Penalties for breach*: Penalties include a 1% daily penalty for late delivery, with the possibility of contract termination after 10 days. Supplying counterfeit or substandard products incurs a 30% penalty on the contract amount.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers, nor did we experience any significant fluctuation in prices set by our suppliers, any material breach of contract on the part of our suppliers, or any shortage or delay in delivery of supplies from our suppliers. Save as discussed above, 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 top five suppliers in each year during the Track Record Period and up to the Latest Practicable Date.

OVERLAPPING OF MAJOR CUSTOMERS AND SUPPLIERS

During the Track Record Period, Neura Robotics GmbH and Han's Laser, two of our top five customers were also our suppliers for manufacturing materials. The overlap in our business relationships arises from the complementary nature of our respective product offerings and industry positioning. For Neura Robotics GmbH, we source intelligent robots to enhance our automation capabilities, while supplying them with cobots and core motion components that integrate seamlessly with their systems. For Han's Laser, we procure advanced industrial laser systems to support our manufacturing processes, and in turn, provide them with core motion components that are essential for their equipment. These reciprocal arrangements reflect strategic collaborations within the value chain, enabling both parties to leverage each other's technological strengths and drive mutual growth. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, our revenue from Neura Robotics was RMB11.6 million, RMB23.5 million, RMB116.1 million and RMB69.5 million, respectively, accounting for approximately 10.6%, 13.4%, 37.4% and 24.7% of our total revenue in the same period, respectively. Our gross profit from Neura Robotics was RMB2.5 million, RMB6.7 million, RMB41.6 million and RMB27.5 million in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, representing a gross profit margin of 21.3%, 28.4%, 35.8% and 40.0% in the same period, respectively. Our purchases from Neura Robotics was RMB8.7 million, RMB6.9 million, RMB24.8 million and RMB11.7 million in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, accounting for approximately 9.2%, 5.5%, 12.2% and 6.7% of our total cost of sales in the same period, respectively. Additionally, in 2022, 2023 and 2024 and the nine months ended September 30, 2025, our revenue from Han's Laser and its affiliates was RMB12.6 million, RMB16.7 million, RMB16.1 million and RMB9.7 million, respectively, accounting for approximately 11.5%, 9.5%, 5.2% and 3.4% of our total revenue in the same period, respectively. Our gross profit from Han's Laser and its affiliates was RMB1.5 million, RMB2.9 million, RMB3.9 million and RMB2.6 million in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively, representing a gross profit margin of 11.8%, 17.6%, 24.6% and 26.5% in the same period, respectively. Our purchases from Han's Laser and its affiliates was RMB6.2 million, RMB2.3 million, RMB0.7 million and RMB0.2 million in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively, accounting for approximately 6.2%, 1.8% and 0.3% and 0.1% of our total cost of sales in the same period, respectively.

Negotiations of the terms of our sales to and purchases from the two overlapping customers/suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. All of our sales to and purchases from the overlapping customers/suppliers were conducted in the ordinary course of business under normal commercial terms and in arm's length transactions. Our Directors believe that these arrangements are mutually advantageous, as all negotiations were conducted on an arm's-length basis, consistent with the prevailing market practices and are comparable to those offered to our other customers and suppliers.

PROCUREMENT AND PRODUCTION

Our Procurement

The key raw materials and components for the production of our products primarily include electronic and electrical components, standard mechanical parts, custom parts and auxiliary equipment. Our procurement process is under periodic review for higher efficiency and cost control purposes without jeopardizing the quality of deliverables. We carefully evaluate our raw material suppliers based on factors such as technology, pricing and responsiveness. To ensure consistent standards, we conduct regular and comprehensive assessments of our suppliers, focusing on their ability to meet our stringent requirements. We typically enter into long-term agreements with our raw materials suppliers.

Our Production Facilities

During the Track Record Period, we manufactured our products primarily at our production facility in Foshan, Guangdong. We also operate a production facility in Shenzhen, Guangdong, which is primarily responsible for the production of our R&D samples.

The following tables sets forth the details of the production capacities and utilization rates of our production facility in Foshan, Guangdong for the periods indicated:

	Year ended December 31,									Nine months ended September 30,		
	2022			2023			2024			2025		
Production base	Designed Production capacity(1)	Actual Production volume	Utilization rate(2)	Designed Production capacity(1)	Actual Production volume	Utilization rate(2)	Designed Production capacity(1)	Actual Production volume	Utilization rate(2)	Designed Production capacity	Actual Production volume	Utilization rate
	Production units in units of cobots		*(%)*	*Production units in units of cobots*		*(%)*	*Production units in units of cobots*		*(%)*	*Production units in units of cobots*		*(%)*
Foshan, Guangdong .	1,400	816	58.3	2,700	2,210	81.9	4,040	3,470	85.9	5,269(3)	3,895	73.9(3)

Notes:

(1) The designed production capacity for each respective year/period is calculated by standard working hours based on the following formula: (Average number of direct production personnel at the beginning and end of the year × 300 days × 8 hours) ÷ 45 hours per unit × rolled throughout yield (75% for 2023 and 2024 and 80% for 2025). Our manufacturing process involves multiple stages, each subject to quality control checks, and products that do not meet specifications at any stage must undergo rework before final acceptance, which would result in additional labor hours being incurred. The yield factor used in our designed production capacity calculation represents our estimated rolled throughput yield, which measures the proportion of products that pass all sequential production and quality inspection

steps on a first-pass basis without requiring rework or re-testing, which was 75% for 2023 and 2024 and 80% for 2025 due to continued refinement of our manufacturing processes and quality control systems. We consider the rolled throughput yield applied in the Track Record Period to be a prudent and reasonable assumption based on our production experience and stringent quality standards. Applying this assumption allows us to reflect more accurately our effective production output and avoids overstating our designed capacity. The increase in designed production capacity in 2023 and 2024 was primarily attributable to the continuous addition of production personnel and equipment during the respective periods.

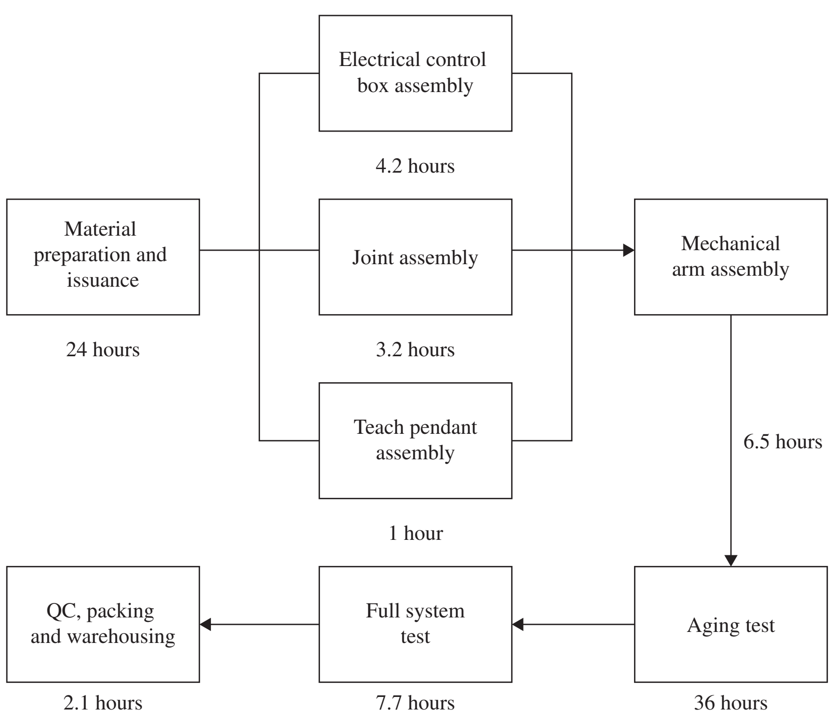
(2) Utilization rate is calculated by dividing the actual production volume (namely effective working hours for the respective year/period, which equal to valid working days in the respective year/period times daily working hours times number of direct production personnel) by designed production capacity for the designated year/period.

(3) The utilization rate of 73.9% for the nine months ended September 30, 2025 was calculated based on actual production volume for the first three quarters against the annualized designed production capacity for 2025 of 5,269 units of cobots, as explained in footnote (1) above. Based on the designed production capacity for the first three quarters of 3,824 units, the utilization rate for the same period would have been 101.8%, primarily due to a surge in order demand and extended working hours during the period.

We formulate production schedules and plans according to the market demand, taking into consideration the level of our stock and utilization rates of our production facilities. We have implemented a set of internal production and operation policies to promote our compliance with 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. We have also introduced and implemented a stringent reporting system as to all the accidents and malfunction of the equipment and keep all the relevant records.

Our Production Processes

Our cobots and core motion components are manufactured through a standardized, modular, and scalable process that emphasizes quality, efficiency, and production transparency. Each product undergoes a production cycle, starting with a 24-hour material preparation and issuance phase, followed by tailored mechanical component assembly process, testings, and final quality check and packaging. The following diagram illustrates the principal steps of the production process generally applicable to our cobot products. We continue to track manual operation time to better evaluate labor efficiency and resource planning. The production time in the following diagram represents our estimation of the time required for each cobot production step.



We set forth below a summary of our production processes.

- *Material preparation and issuance*. All necessary components are arranged and dispatched according to the production schedule to ensure smooth workflows across subsequent stages.

- *Assembly*. Modules, mechanical arms, electrical control boxes or teach pendants are assembled according to specifications. Mechanical arm assembly involves the installation of mechanical parts, software flashing and basic power-on testing. Electrical control box and teach pendant assembly involves component installation, software flashing and basic function testing. For cobot products, final system assembly is performed after all core components are completed.

- *Full System Aging Test*. This stage simulates operating conditions to verify the stability, functionality and overall performance of the complete products.

- *Quality control, packing and warehousing*. After a successful aging test, final inspections are conducted to ensure compliance with quality standards. Qualified products are cleaned, packaged and stored in warehouses pending delivery.

Each of our core motion components follow its own structured production timeline after the completion of the 24-hour material preparation and issuance phase, as sets forth below:

- *Torque motors*. Each torque motor has a production cycle of approximately 12 hours, with main tasks involving handling silicon steel components, unboxing, and preparing materials for further automated steps. As torque motor is a critical precision component, it is subject to strict quality control throughout the production cycle.

- *Servo driver*. Each Servo driver requires a production cycle of roughly two hours. After material preparation, key production tasks include power board testing, thermal paste application, mechanical assembly of control components, functionality testing, and safety checks such as insulation and grounding verification. Each step is standardized to ensure consistency and compliance with industrial specifications.

- *Joint Modules*. Each joint module has a production cycle of approximately 14 hours. Main production tasks include tool setup, multi-step motor sub-assembly, retrieval and positioning of transmission components, and sequential alignment. These steps are labor-intensive and require close coordination, reflecting the complexity of the joint's mechanical and electronic integration.

- *Precision motion platforms.* Each precision motion platform is assembled through a process where the X-axis and Y-axis are constructed simultaneously, which typically requires a production cycle of approximately 13 hours. Main production tasks include synchronized assembly of actuators, rail systems, and motion modules, the operation time for which varies for each axis.

LOGISTICS AND INVENTORY MANAGEMENT

We leverage our own warehouse for storing our inventories 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, work-in-progress, finished goods and goods in transit. As of December 31, 2022, 2023 and 2024 and as of September 30, 2025, our inventories were RMB88.0 million, RMB110.7 million, RMB128.0 million and RMB140.4 million, respectively. We have a strict inventory control policy to monitor our inventory levels in order to minimize obsolete inventory.

In order to prevent future occurrences of a significant write-down of inventories, we have implemented the following inventory management measures. We classify inventories by type and importance into different categories and apply differentiated control strategies. We have launched the material requirement planning ("MRP") system to enhance material planning and management. We have also introduced alternative material management to optimize material consumption and reduce inventory stagnation. In addition, we have implemented an engineering change management system to support product structure updates and prioritize the consumption of existing materials. See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Inventories."

QUALITY CONTROL

We are dedicated to pursuing excellent quality and performance on a continuous basis. To ensure this, we have implemented comprehensive policies and have detailed procedures in place to ensure our consistent quality, encompassing well-rounded processes from raw materials selection, production, testing, storage and after-sales service. We have also engaged external quality control consultants to introduce advanced quality management practices. We strictly adhere to industry standards.

Procurement

We purchase raw materials from selected suppliers who have passed our qualification assessment. See "— Procurement and Production — Our Procurement." We also require our assessment team to attend technical trainings or obtained relevant certifications. Upon receipt of raw materials, we carry out tests and inspections including packaging and label inspections, appearance inspections, performance tests and ROHS tests. We keep inspection records of the raw materials. Defective and non-conforming products are promptly returned to the suppliers, who are required to provide an analysis report within a certain period of time, whereas qualified raw materials are accepted and stored in our warehouses.

Production and Testing

We strictly follow national, regional and internal standards and guidance for our production. Our quality control team conducts periodic tests and inspections of work-in-progress and finished products in accordance with customer requirements and specifications, with detailed inspection records maintained to ensure full traceability. We also regularly inspect our entire production line, particularly the tools, instruments and equipment.

We have established a comprehensive multi-stage inspection regime encompassing incoming material inspection, in-process inspection and final inspection. Each stage is governed by documented procedures and acceptance criteria, with defective products identified, segregated and addressed through prescribed corrective actions to prevent any downstream impact. We also implement sampling inspections in accordance with defined sampling plans and acceptance quality levels to enhance overall quality assurance across the production process.

In terms of production safety, we have employed a stringent safety inspection policy.

Storage

Our finished products are first packaged and stored at our warehouses before delivered to our customers. We have established stringent internal control procedures governing storage to ensure product quality and integrity. All finished products are stored in designated areas with clear identification. Regular inspections are conducted to monitor storage conditions. We use appropriate tools and equipment for the handling of different products to prevent damage caused by vibration, abrasion or contamination. Inventory is managed according to batch numbers and production dates to maintain traceability and facilitate first-in-first-out control where applicable.

After-Sales Service

In addition, we recognize that outstanding after-sales service is integral to customer satisfaction and loyalty. Our comprehensive after-sales management system includes mechanisms for collecting customer feedback, analyzing reported issues and providing on-site repair and support services. We have established a comprehensive customer complaint handling process, in which complaints are promptly recorded, analyzed and addressed by designated personnel. All customer complaints, investigations and resolution measures are properly documented and archived. We also conduct annual customer satisfaction surveys through multiple channels and compile and review the results to formulate corrective and preventive measures where necessary.

Our products comply with the safety standards and quality requirements of various countries and regions. As a result of our adherence to quality control procedures, we did not experience any material sales returns, product liability claims or 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 to 24 months warranties as stated in our contracts with our customers. Our warranty term is usually limited to defects or the 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.

COMPETITIVE LANDSCAPE

The manufacturing industry is accelerating toward intelligent and low carbon transformation, driving demand for flexible automation. Cobots, with advantages in modular deployment, safety and rapid scenario adaptation, are becoming core enablers of this shift. According to Frost & Sullivan, the global cobot market grew from RMB2.5 billion in 2020 to RMB7.5 billion in 2024 at a CAGR of 32.0%, and is expected to reach RMB35.0 billion by 2029 at a CAGR of 37.4%. In China, the market expanded from RMB0.6 billion to RMB2.2 billion over the same period at a CAGR of 38.8% and is projected to reach RMB12.4 billion by 2029 at a CAGR of 43.5%. Meanwhile, the industry remains concentrated. In 2024, the top five global players held 42.1% market share. According to Frost & Sullivan, we were the second largest cobot company in China with a 10.3% share and a top five global player with 3.5% share in 2024. See "Industry Overview."

EMPLOYEES

As of September 30, 2025, we had 539 full-time employees. Most of our employees are based in China, primarily located at our headquarters in Guangdong. Separately, as of September 30, 2025, we had engaged one dispatched worker in China as sales personnel. The following table sets forth a breakdown of our employees by function as of September 30, 2025:

Business Function	Number of Employees	Percent (%)
R&D	159	29.5%
Sales and marketing	119	22.1%
Supply chain and production	219	40.6%
Administrative and general management	42	7.8%
Total	**539**	**100.0%**

Our success depends on our ability to attract, retain and motivate qualified personnel. We adopt high standards and strict procedures in our recruitment to ensure the quality of new hiring and use various methods for our recruitment, including campus recruitment, online recruitment, internal recommendation and recruiting through hunting firms or agents, to satisfy our demands for different types of talent. We have training programs for all our employees, from entry-level employees to management, on subjects such as corporate culture, strategies, policy and internal control, internal systems and business skills.

As required by PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. The remuneration package for our employees generally includes salary and bonuses. Employees typically receive welfare benefits, including paid leaves, transportation and living allowances, among others. 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 operations and no material disputes between the Group and our employees.

Social Insurance and Housing Provident Funds

We are required by PRC laws and regulations to make contributions for mandatory social insurance and/or housing provident funds for our employees. During the Track Record Period, we did not make adequate contributions to the social insurance and/or housing provident funds for some of our employees, primarily because (i) certain employees were unwilling to pay the social insurance and housing provident funds in full as additional contributions were required from them; or (ii) our employees did not fully understand the relevant requirements of the relevant PRC laws and regulations. As of December 31, 2022, 2023 and 2024 and as of September 30, 2025, the shortfall of social insurance and housing provident fund contributions amounted to RMB4.6 million, RMB9.4 million, RMB8.4 million and RMB10.9 million, respectively.

As advised by our PRC Legal Advisor, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement. Given that we have undertaken to make timely and full contributions, the maximum potential penalty would be limited to the shortfall in our social insurance and housing provident fund contributions as above. We plan to implement a rectification plan for social insurance contributions in accordance with the adjustment window permitted by local authorities. An initial phase of rectification is scheduled to commence in July 2025, with the intention to complete the rectification process in full by the end of next year.

Our Directors believe that the incidents above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) we did not receive any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, nor did we receive any employee complaint concerning their payment of social insurance and housing provident funds; (ii) we will make timely payments for the outstanding amount and overdue charges under our own accounts as soon as requested by relevant authorities; and (iii) (a) based on confirmations from relevant authorities, during the Track Record Period, we were not subject to any administrative penalties imposed by the social insurance authorities or the housing provident fund authorities due to insufficient payment of social insurance or housing provident funds, and (b) we learned from the interviews with relevant authorities where the majority of our employees locate that, in practice, these authorities typically do not proactively require enterprises within their responsible districts to make supplementary payments for shortfalls of social insurance (which, according to applicable rules, also include late fees) or housing provident funds, and they generally do not proactively impose administrative penalties on enterprises for such insufficient payments, unless employee complaints have been filed. In addition, pursuant to the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知) promulgated on September 21, 2018 by the Ministry of Human Resources and Social Security, administrative enforcement authorities are prohibited from organizing and conducting centralized collection of enterprises' historical social insurance arrears. Based on the foregoing, as advised by our PRC Legal Advisor, the likelihood that we would be subject to administrative penalties for the shortfall of social insurance and housing provident fund is remote, provided that there are no material adverse changes in the current regulatory policies and environment and no employee complaints occur.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38 Paragraph 3 of the Labor Contract Law, the people's court shall support such claims in accordance with the law. Considering (i) we have not signed any agreement with our employee or our employee have not committed to give up paying their social insurance, and (ii) our employees have the legal right to terminate the labor contract and claim economic compensation in accordance with the Labor Contract Law being effective since 2012, instead of the aforementioned regulation, which will not result in the Group assuming any additional liability for compensation, as advised by our PRC Legal Advisor, the aforementioned regulation will not have material adverse impact on our business operations and financial position.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken the following internal control measures:

- We have established a dedicated human resources team responsible for regularly reviewing and updating our payroll and employee records to ensure all contributions are calculated and made in accordance with the latest PRC laws and regulations.

- We conduct periodic internal audits to verify the accuracy and completeness of social insurance and housing provident fund contributions, and to identify and rectify any discrepancies in a timely manner.

- We provide regular training sessions for our human resources and finance personnel to enhance their understanding of the relevant legal requirements and to keep them informed of any regulatory updates.

- We maintain close communication with legal advisors to stay informed of any changes in policies or procedures and to seek guidance where necessary.

- Engage in regular communication with the relevant PRC authorities to ascertain that our methods for calculating and remitting contributions are in full compliance with all pertinent regulations.

- Proactively track changes to PRC social insurance and housing fund laws and regulations on an ongoing basis.

INSURANCE

We maintain insurance coverage over our daily operations. Our principal insurance policies primarily include employee-related insurance, such as accident insurance for all employees and additional medical insurance for employees based in Shenzhen, which we believe have covered major risks in our daily operations in the jurisdictions in which we operate. In line with general market practice, we do not maintain certain policies that are not available in the jurisdictions in which we operate, or that are not generally required by law. See "Risk Factors — Risks Relating to Our General Operation and Industry — We have customary insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources."

As advised by our PRC Legal Advisor, under applicable PRC laws, we may be held liable for losses or injuries caused by defects in our products, including cobots and core motion components. Consumers may seek compensation from either the manufacturer or the seller. In cases where the product is found to have been sold or manufactured with known defects that result in death or serious health consequences, the affected party may also claim punitive damages in addition to compensatory damages. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product liability incidents in the ordinary course of our operations. In line with market practice, we have not taken out any product liability insurance. We have adopted a series of internal quality control and risk management measures to minimize product defects and safety risks, including stringent design validation, multi-stage product testing, and quality inspections throughout the manufacturing process. In addition, our products are primarily sold to enterprise customers with established procurement standards and operational safeguards, which further reduce the likelihood of personal injury or property damage resulting from product failure. In light of these factors, and taking into account our historical track record, we believe that our insurance coverage is adequate for our business and in line with general market practice. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustment to our insurance plans to align with our needs and with industry practice. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business.

DATA SECURITY AND PRIVACY

During the Track Record Period and up to the Latest Practicable Date, in the course of our routine business operation, we may process (a) personal data and (b) certain products-related non-personal data ("Product Data") generated during use of products by our customers. For personal data, we may collect (i) personal data through our Chinese and English official websites and official social media accounts and (ii) contact information of our customers provided in connection with their use of our products or services.

Product Data is stored and processed solely within customers' own premises, except where customers voluntarily share certain Product Data for the limited purpose of resolving technical issues. We do not have routine access to, or proactively collect or retrieve Product Data under normal circumstances.

All data collected within the PRC has been stored in the PRC and there has not been any transmission of such data to locations outside the PRC. With respect to personal data collected through our English official website, such data is first stored in our server located in the United States and we may transfer such data from the United States to the PRC for storage and processing purposes. Such personal data primarily includes the names, phone numbers and email addresses of contacts of customers and/or potential customers and has been stored in the PRC. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any cross-border transmission of data.

As for the provision of data to third party, we may entrust third-party service providers to process personal data for the purpose of (i) internal corporate management, (ii) provision of third-party software to our customers and (iii) facilitating communication between sales personnel and customers. We set out the purposes, methods and scope of data sharing with third parties in our data privacy policies and obtain the consent of personal data subjects accordingly. Where our business partners are involved in the processing of personal data, we typically enter into data processing agreements with them which include provisions requiring compliance with applicable data protection laws and regulations.

To reinforce our data security and protection measures, we have established a comprehensive data compliance system comprising encryption systems, antivirus software and regular data backup. Specifically, (i) we have designated departments responsible for guiding and implementing cybersecurity, data security and personal information protection, including cybersecurity protection, data classification and hierarchization, full lifecycle data management and compliance assessments; (ii) access to all operational and business data is strictly controlled and limited to authorized personnel based on the necessity of their job duties, following the principle of least privilege, with regular reviews of access permissions. We have also formulated and implemented detailed information privacy protection policies to monitor and prevent unauthorized access to or leakage of any data handled in the course of our operations. Any attempt to access, modify or export data outside the approved scope is subject to internal approval procedures and is monitored through audit logs; (iii) we deploy robust network security infrastructure including firewalls and threat intelligence tools as well as intrusion detection and prevention technologies to mitigate the risk of external or internal breaches; and (iv) we promptly address any potential vulnerabilities and have established internal procedures to respond to data breaches and security incidents. These policies and measures facilitate our cybersecurity protection, personal information protection and data management and provide detailed requirements in relation to the classification, storage, access, transmission, encryption, backup and disposal of data.

During the Track Record Period and up to the Latest Practicable Date (i) we had not received any investigation, enquiry, warning, penalty or sanction from governmental authorities (including the Cyberspace Administration of China and its local branches) with regard to our practices in relation to cybersecurity, data and privacy; (ii) we have not been involved in any legal proceedings initiated by governmental authorities or third parties in relation to cybersecurity, data and privacy; and (iii) there had been no material cybersecurity or data protection incidents or infringement upon the rights of any third parties or other legal, administrative or governmental proceedings pending or, to the best of our knowledge, threatened against or relating to us.

During the Track Record Period and up to the Latest Practicable Date, our information technology and software systems did not encounter any material malfunction, unexpected system failure, interruption or security breach, nor did we experience any material data leakage or data loss or unauthorized use of customers' or distributors' personal information. As advised by our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we had been in compliance with the existing PRC laws and regulations on cybersecurity, data security and personal data protection in all material respects and the existing laws and regulations in cybersecurity, data security and personal data protection will not have a material adverse impact on our business operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to operating as a responsible corporate by integrating ESG considerations into our corporate strategy and daily operations. As advised by our PRC Legal Advisor, our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance with applicable health, work safety and environmental laws and regulations that would, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

ESG Governance

The Board is ultimately responsible for the formulation and oversight of ESG strategies, objectives, and key risk controls. We have established ESG and Sustainability Committee to support strategic planning, shareholder engagement and ongoing risk assessment.

Ethical Conduct and Anti-Corruption

We uphold the highest standards of business ethics. We have implemented a comprehensive anti-fraud and anti-corruption framework to govern conflict of interest management, confidentiality, bribery prevention and whistleblower protection. Preventive measures include supplier blacklisting, mandatory conflict-of-interest disclosures, and integrity clauses in procurement contracts. Violations are subject to disciplinary action, including termination and criminal referral. We also encourage employees and shareholders to raise concerns through a confidential reporting channel, reinforcing a culture of accountability and transparency.

Environmental Protection Policies

We have implemented a comprehensive environmental management system aligned with ISO 14001:2015 certification and the applicable environmental laws of the PRC. Key environmental performance metrics are tracked across business units, including electricity consumption and non-hazardous waste recovery. We promote green operations through energy-efficient equipment and employee awareness programs. The significant increase in total greenhouse gas emissions in 2023 was mainly due to the increase of electricity consumption caused by the increase in personnel, product output, and leased area with the expansion of our business. The following table sets forth the key ESG metrics that we monitor:

Indicator	Unit	Year ended December 31,			Six months ended June 30,
		2022	2023	2024	2025
Emissions					
Greenhouse gases[(1)]					
Total greenhouse gas emissions	tons of CO2e	354.9	1,045.9	1,097.9	566.2
Direct greenhouse gas emissions[(2)]	tons of CO2e	2.5	2.5	2.5	1.2
Indirect greenhouse gas emissions[(3)]	tons of CO2e	352.4	1,043.4	1,095.4	565
Greenhouse gas emission intensity	tons of CO2e/ person	0.96	2.46	2.36	0.98
Exhaust emission[(4)]					
Carbon Monoxide	kg	3.7	3.7	3.7	1.9
Nitrogen Oxides	kg	0.1	0.1	0.1	0.1
Sulphur Dioxide	kg	0.1	0.1	0.1	0.0
Waste					
Total hazardous waste	kg	30.0	45.0	50.0	30.0
Hazardous waste intensity	kg/person	0.081	0.106	0.107	0.052
Total non-hazardous waste[(5)]	kg	1,060.0	1,060.0	1,070.0	1,607.0
Non-hazardous waste intensity	kg/person	2.9	2.5	2.3	2.8
Resources Usage[(6)]					
Energy Consumption					
Total energy consumption	MWh	551.7	1,642.5	1,725.7	891.0
Total direct energy consumption	MWh	1.9	1.9	1.9	0.9
Total indirect energy consumption	MWh	549.8	1,640.6	1,723.8	890.1
Energy consumption intensity	MWh/person	1.5	3.86	3.70	1.55
Water resources consumption					
Total water resources consumption	m^3	3,109.4	6,757.7	6,290.6	3,840.1
Water resources consumption intensity	m^3/person	8.4	15.9	13.5	6.7

Notes:

(1) Greenhouse gas emission data are presented in terms of carbon dioxide equivalent, calculated according to the "Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Enterprises — Power Generation Facilities (2021 Revision)" issued by China's Ministry of Ecology and Environment and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories" published by the Intergovernmental Panel on Climate Change (IPCC).

(2) Direct greenhouse gas emissions mainly originate from the consumption of natural gas and petrol.

(3) Indirect greenhouse gas emissions primarily arise from electricity consumption.

(4) The sources of exhaust emissions include both stationary and mobile sources. Emissions from stationary sources are calculated based on the "Manual of Emission Factors for Urban Living Sources from the First National Pollution Census" and monitoring of actual production processes; emissions from mobile sources are calculated according to the "Technical Guidelines for Compiling Road Motor Vehicle Air Pollutant Emission Inventories (Trial)."

(5) The non-hazardous waste involved in our operations mainly consists of non-hazardous domestic waste and office supplies waste generated during our daily operations. All of it has been 100% recycled, with no emissions after treatment.

(6) Our business does not involve the use of packaging materials, so Key Performance Indicator A2.5 (the total amount of packaging materials used for finished products) is not applicable.

(7) The scope of data disclosed includes data from 2022, 2023, and 2024 at both the headquarters and branch levels.

Environmental Governance Targets

We have established a comprehensive Environmental, Social, and Governance (ESG) management system and monitors various quantifiable indicators, with a target to reduce electricity consumption intensity per person and water resource consumption intensity per person by 5% respectively by 2030, using 2024 as the baseline year. Both the organic exhaust gases and fugitive emissions from the Foshan factory comply with the Guangdong Provincial Local Standards and the factory has obtained ISO 14001:2015 Environmental Management System Certification.

Based on historical operational data, as our business scale expands, the consumption of electricity, as well as the generation of waste, have shown an upward trend. We have set the promotion of energy-saving measures and the reduction of water and electricity consumption as our goals and will continuously optimize emission intensity and resource use efficiency.

In terms of renewable energy, we target a 50% reduction in paper consumption against the 2024 baseline by 2030 to enhance resource efficiency, implementing comprehensive operations. To ensure achievement of these goals, we will regularly publish ESG progress reports and rigorously monitor and evaluate the effectiveness of all initiatives through ISO-certified management systems.

Environmental Protection Investment

In 2023, we invested a total of RMB77,000 (tax included) in environmental governance. The funds were primarily allocated to the dedicated air purification treatment for formaldehyde removal of the Foshan Haichuang Building and a comprehensive upgrade project for exhaust emission systems and industrial noise control. In 2024, total environmental expenditures amounted to RMB57,008 (tax included). These investments focused on the standardized disposal of industrial solid waste, the professional transportation and compliant treatment of hazardous waste and the completion of a triple international certification, covering ISO 9001, ISO 14001, and ISO 45001 standards. During the Track Record Period and up to the Latest Practicable Date, we are not penalized for any environmental issues.

Social Responsibility

Employment: We maintain a compliant framework that covers recruitment, training, employee protections and grievance mechanisms to ensure a safe and lawful workplace.

Product Responsibility and Quality Assurance: We operate ISO-certified quality management systems with multi-stage inspections to ensure product safety and compliance throughout the entire lifecycle.

Supply Chain Management: We apply strict supplier admission and quality control standards, requiring certified management systems and documented procedures to ensure supply chain reliability and regulatory compliance.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established a set of risk management measures and internal control policies and procedures that we consider to be appropriate for our business operations and we are dedicated to continuously improving these policies. Furthermore, we continually review the implementation of our risk management policies and measures to ensure that our policies and implementation are effective and sufficient.

In preparation for the Listing, we have engaged an independent third-party consultant (the "**Internal Control Consultant**") to perform a review over selected areas of our internal control (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 that were reviewed by the Internal Control Consultant included entity-level controls and business process level controls, including sales, accounts receivable and collections, procurement, accounts payable and payments, inventory management (including logistics), production and cost, human resources and payroll, fixed assets and intangible assets management, cash and funds management, insurance management, financial reporting and information disclosure control, tax management, general controls of information systems, and R&D processes.

The Internal Control Consultant performed the follow-up reviews in May 2025 to review the status of the management actions taken by us to address the findings of the Internal Control Review, and did not make further recommendations for the samples tested. The Internal Control Review was 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. 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.

PROPERTIES

Our headquarters are located in Guangdong, China. We lease properties in China and South Korea. As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Leased Properties

As of the Latest Practicable Date, we leased seven properties in China with an aggregate GFA of approximately 38,309.9 sq.m., that were primarily used for production base and office spaces. The leases generally have a term ranging from two to three years. As of the same date, there were defects in some of our leased properties in China.

As of the Latest Practicable Date, for one leased property with a GFA of 465.65 sq.m. (representing approximately 1.2% of our total leased GFA in China as of the Latest Practicable Date), (i) the lessor of which had not provided us with valid property ownership certificate documents; and (ii) its actual usage was inconsistent with the usage set out in the title certificate. This property, situated on allocated land, is primarily used for office purposes. As advised by our PRC Legal Advisor, our leasehold interests may be affected by the inconsistent usage, or if the property rights holder is ordered by the land administration authority to return the land, and we may be forced to vacate from the leased property. Taking into account (i) the insignificant proportion of such property in our overall leased property portfolio; (ii) that, during the Track Record Period and up to the Latest Practicable Date, we had not received any notice requiring us to vacate such premise due to such inconsistency or due to any third-party challenge to the lessor's leasehold right, nor were we aware of any ongoing litigation, arbitration, or other legal disputes in respect of such lease; (iii) that we are not the subject of penalties under relevant laws and regulations in the event of any dispute or loss arising from the use of such premise; and (iv) the readily replaceable nature of such property due to its limited size and standard usage, our Directors are of the view that the absence of valid title certificate for, or inconsistent usage of, such leased property would not have any material adverse effect on our business, financial condition or results of operations.

In addition, as of the Latest Practicable Date, we were unable to file the lease agreements for registration with respect to five of our leased properties in China. Registration requires cooperation from both parties, and lessors are typically unwilling to complete such procedures due to the low penalty risk. As such, we were unable to complete registration for these lease agreements. We have implemented internal policies requiring our employees to proactively coordinate with lessors to complete the registration process and to register lease agreements where lessors are cooperative. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to comply. The maximum aggregate penalty, if imposed, would be RMB50,000, which our Directors believe would not have any material adverse impact on our business operations. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. Based on the foregoing and considering that, during the Track Record Period and up to the Latest Practicable Date, we had not been required to register these leases by the authorities and had not been penalized for such non-registration, our Directors are of the view that the non-registration of the lease agreements will not have any material adverse effect on our business, financial condition or results of operations.

Having considered the above, our Directors believe that the foregoing incidents do not constitute material or systemic non-compliance on the part of our Group and will not, individually or in the aggregate, materially and adversely affect our business or results of operations. For risks relating to our leased properties, see "Risk Factors — Risks Relating to Our General Operation and Industry — We lease properties primarily for office use and production. Any non-renewal of leases, substantial increases in rent, or any third-party challenge to our leasehold interest, may affect our business and financial performance."

Additionally, as of the Latest Practicable Date, we leased one property in South Korea with a gross floor area of approximately 133.3 sq.m., primarily used as office space, under a lease term of about one year.

LICENSES, APPROVALS AND PERMITS

All of our principal businesses are conducted in the PRC. 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 the relevant authorities in China 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	Latest renewal date	Expiration Date
High-tech Enterprise Certificate	Our Company	December 2023	December 2026
Specialized and Innovative "Little Giant" Enterprise .	Our Company	October 2025	October 2028

In addition, while we primarily sell our products in China, a portion of our products is exported to overseas markets. Products exported to certain overseas markets are required to comply with applicable local industry-specific certifications, standards and testing requirements for safety and reliability, depending on the destination markets and customer requirements. These include, among others, ISO 13849, ISO/TS 15066 and FCC for North America; CE certification for the European Union, Japan, Turkey and Brazil; KCs certification for South Korea; and CAN/CSA Z434-14 (R2020) for Canada. We have also obtained additional non-mandatory certifications and test results, such as China Robot CR certification, IPX6 ingress protection ratings and MTBF testing results, to meet higher customer and application-specific requirements.

We did not maintain product liability insurance for exported products, which is not required by overseas exports. During the Track Record Period and up to the Latest Practicable Date, we have maintained all material certifications required for our product exports to overseas markets, nor had we been subject to any penalties, sanctions or enforcement actions imposed by overseas regulatory authorities.

The table below sets out the main standards, certifications or requirements that we were compliant with as of the Latest Practicable Date:

Standards, certifications or requirements	Definition of the standards, certifications or requirements	Our compliance with the standards, certifications or requirements
ISO/TS 15066:2016 . . .	An international technical specification that provides safety requirements and guidance for collaborative industrial robot systems and the work environment, supporting the safe implementation of human-robot collaboration.	Our cobots have achieved ISO/TS 15066:2016 compliance, confirming that it meets the safety requirements for collaborative operation between humans and robots in industrial environments.
100000 Hours Mean Time Between Failures (MTBF) Reliability Certification	An certificate issued by the Chinese National Robot Test and Assessment Center, that provides reliability requirements and guidance for collaborative industrial robot systems, supporting long-term operational stability and durability through a benchmark of 100000 hours Mean Time Between Failures.	Our cobots have successfully passed the MTBF 100000-hour reliability test conducted by a national authority, demonstrating their high durability and consistent performance.
China Compulsory Certification (CCC) for Insulated Electric Wires and Cables . . .	A specification issued China's national mandatory certification system that provides safety and reliability requirements for collaborative robotic arms, supporting compliant manufacturing, operational safety, and quality assurance through product type testing, factory quality audits, and post-certification supervision.	Our cobot models E10, E05, and E03 met the national safety and reliability standards for industrial use, demonstrating our achievement of a certified level of product quality and operational assurance.

Standards, certifications or requirements	Definition of the standards, certifications or requirements	Our compliance with the standards, certifications or requirements
Verification of MD (Machinery Directive) Compliance	A certificate provided by SGS that shows a product meets EU safety and quality standards required for CE marking under the Machinery Directive.	Our cobots have received CE marking, confirming that they are built to high European standards for machinery safety design quality and electrical protection.
IEC 60601	An internally recognized standard for the basic safety and essential performance of medical electrical equipment	Our Elfin-Pro Series cobots have achieved IEC-60601 certification, confirming that the Elfin-Pro Series cobots meet the stringent safety requirements and are suitable for use in medical and healthcare environments.
CE-EMC	Compliance with the electromagnetic compatibility requirements under the CE marketing system in the European Economic Area	Our Elfin-Pro Series cobots have received CE-EMC certification, confirming that they can operate reliably in environments with various electronic devices without causing or being affected by electromagnetic disturbances.
CAN/CSA Z434-14 (R2020).	A Canadian national standard specifying safety requirements for the design, installation, safeguarding, maintenance, and operation of industrial robots and robot systems.	Our cobots have achieved CAN/CSA Z434-14 (R2020) certification, confirming that they meet the rigorous safety requirements for industrial robots and robot systems in accordance with Canadian standards.
Machinery Directive 2006/42/EC (MD) . . .	A European Union directive that sets out essential health and safety requirements for machinery placed on the market or put into service within the European Economic Area, ensuring the safety of machinery users and operators.	Our cobots have achieved verification of compliance with the Machinery Directive 2006/42/EC, confirming that they meet the stringent health and safety requirements for machinery intended for use within the European Economic Area.
ISO 13849-1:2015	An international standard that specifies the safety requirements and guidance on the principles for the design and integration of safety-related parts of control systems, including the achievement of required performance levels for machinery.	Our cobots have achieved ISO 13849-1:2015 functional safety certification, confirming that their safety architecture and performance level meet the stringent requirements for safety-related control systems in machinery.
SEMI S2-0818A.	An international safety guideline developed by SEMI (Semiconductor Equipment and Materials International) that specifies the requirements for the environmental, health, and safety aspects of semiconductor manufacturing equipment.	Our cobots have achieved SEMI S2-0818A compliance, confirming that they meet the environmental, health, and safety requirements for use in semiconductor manufacturing environments.

Standards, certifications or requirements	Definition of the standards, certifications or requirements	Our compliance with the standards, certifications or requirements
IP68 ingress protection rating under IEC 60529	An international ingress protection rating defined under IEC 60529, where the first digit ″6″ indicates complete protection against dust ingress and the second digit ″8″ indicates protection against continuous immersion in water under conditions specified by the manufacturer and the testing laboratory.	Our cobot model E10F has passed the IP6X dust ingress test and the IPX8 continuous immersion test conducted by SGS under IEC 60529, and therefore achieves an overall IP68 ingress protection rating.
Korea Certification for Safety (″KCs″)	A safety certification regime administered under the Korean occupational safety and health regulations, which sets out safety requirements for machinery including industrial robots placed on the Korean market and used in workplaces.	Our cobot models S05, S20, S30, S10 and S15 have obtained KCs self-confirmation of safety certificates for six-axis industrial robots issued by the Korea Occupational Safety and Health Agency, confirming their compliance with the applicable Korean safety requirements.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. Our Directors and our PRC Legal Advisor are of the view that, we had complied, in all material respects, with all relevant laws and regulations in the PRC during the Track Record Period and up to the Latest Practicable Date.

OVERVIEW

Upon Listing, transactions between members of our Group and our connected persons will constitute our transactions of our Company under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

The table below sets forth the connected persons of our Company involved in the connected transactions set out in this section and the nature of their connection with us:

Name of Connected Persons	Connected Relationship
Han's Laser	One of our substantial shareholders

SUMMARY OF THE TRANSACTIONS

Nature of Transaction	Waiver Sought	Historical Amount	Proposed Annual Cap for the Year Ending December 31,		
			2026	2027	2028
		(RMB in millions)	*(RMB million)*		
One-off Connected Transaction					
1. Lease Agreement	N/A	N/A	N/A	N/A	N/A
Fully-exempt Continuing Connected Transaction					
2. Administrative Services Framework Agreement	N/A	For the year ended December 31, 2022: 0.62 2023: 0.73 2024: 0.79 For the nine months ended September 30, 2025: 1.05	2.0	2.0	2.0
Non-exempt Continuing Connected Transactions					
3. Procurement Framework Agreement	Announcement requirement	For the year ended December 31, 2022: 6.23 2023: 2.35 2024: 0.73 For the nine months ended September 30, 2025: 0.26	2.0	3.0	4.0
4. Sales Framework Agreement	Announcement and independent shareholders' approval requirements	For the year ended December 31, 2022: 12.60 2023: 16.71 2024: 16.07 For the nine months ended September 30, 2025: 9.66	30.0	40.0	60.0

ONE-OFF CONNECTED TRANSACTION

1. Lease Agreement

Principal terms

We entered into lease agreements with Han's Laser in March 2025 pursuant to which Han's Laser agreed to lease to us a premise (the "**Leased Property**") with a total gross floor area of approximately 7,500 sq.m. located in Guangdong Province, the PRC mainly for office use (the "**Lease Agreement**"). The rent under the Lease Agreement, on an annual basis, is approximately RMB2.63 million, and shall be payable by us on a monthly basis. The Lease Agreement has a fixed term from January 1, 2025 to February 29, 2028. The value of the lease liabilities which includes the present value of the lease payment recognized by our Company according to IFRS 16 attributable to the lease under the Lease Agreement amounted to approximately RMB13.97 million as at September 30, 2025. The Lease Agreement was entered into: (i) in the ordinary and usual course of business of our Company; (ii) on arm's length basis; and (iii) on normal commercial terms with the rent being determined with reference to the prevailing market rates for similar properties in the same area and the square meters rented.

In accordance with IFRS 16 "Leases," our Company recognized a right-of-use asset on its balance sheet in connection with the lease of the properties from Han's Laser. As such, the transactions under the Lease Agreement will be recorded as an acquisition of a capital asset and a one-off connected transaction of our Company for the purpose of the Listing Rules. Accordingly, the reporting, announcement, annual review and independent shareholders' approval requirements with respect to continuing connected transactions in Chapter 14A of the Listing Rules will not be applicable.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTION

We have conducted the following transaction in the ordinary and usual course of our business, which will, upon Listing, constitute continuing connected transaction of our Company fully exempt from the annual reporting, announcement and/or independent shareholders' approval requirements (as the case may be) under Chapter 14A of the Listing Rules.

2. Administrative Services Framework Agreement

Principal terms

We entered into an administrative services framework agreement with Han's Laser on March 20, 2026 (the "**Administrative Services Framework Agreement**"), pursuant to which, Han's Laser will provide (i) property management services to our Group in respect of the Leased Property and we will pay property management fee to Han's Laser; and (ii) accommodation services (staff dormitory services) and other ancillary services such as car rental services. The initial term of the Administrative Services Framework Agreement shall commence on the Listing Date until December 31, 2028. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principals provided in the Administrative Services Framework Agreement.

Reasons for the benefits of the transaction

Our Company has been procuring such services from Han's Laser during the Track Record Period. Our Group and Han's Laser have established a long-term and stable business relationship, and Han's Laser has acquired a comprehensive understanding of our property management needs. Considering that Han's Laser has provided such service to us during the Track Record Period, we believe it is in the best interest of the Group and our Shareholders as a whole to continue to procure such service from Han's Laser who is capable of fulfilling our demands with a stable and high quality service.

Pricing policies

The pricing offered by Han's Laser for its property management services is determined based on its standard pricing policy. The Group will conduct annual review to ensure the pricing terms under the Administrative Services Framework Agreement shall be in the best interests of our Company and our Shareholders as a whole.

Historical amounts

The service fee paid by our Group was RMB0.62 million, RMB0.73 million, RMB0.79 million and RMB1.05 million, for the years ended December 31, 2022, 2023 and 2024 and for the nine months ended September 30, 2025, respectively.

Annual caps

The service fee under the Administrative Services Framework Agreement for the three years ending December 31, 2026, 2027 and 2028 shall not exceed RMB2.0 million, RMB2.0 million, and RMB2.0 million, respectively.

Basis of annual caps

In determining the annual caps for the transactions contemplated under the Administrative Services Framework Agreement, we have considered, among other things, the following:

- The historical transaction amount and the expected demand of such services;
- The gross floor area of properties currently leased from Han's Laser; and
- The anticipated expansion of our business in the rapidly expanding global cobot industry, which is expected to lead to a corresponding increase in our need for the administrative services (including accommodation and other ancillary services) provided by Han's Laser.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have conducted the following transactions in the ordinary and usual course of our business, which will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting, announcement and/or independent shareholders' approval requirements (as the case may be) under Chapter 14A of the Listing Rules.

3. Procurement Framework Agreement

Principal terms

We entered into a procurement framework agreement with Han's Laser on March 20, 2026 (the "**Procurement Framework Agreement**"), pursuant to which, our Group will procure various (i) ancillary equipment and tools such as laser welding machine and visual equipment; and (ii) customized special-model motors from Han's Laser. The initial term of the Procurement Framework Agreement shall commence on the Listing Date until December 31, 2028. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principals provided in the Procurement Framework Agreement.

Reasons for and benefits of the transaction

Despite we mainly offer our clients with standardized cobots which are adaptable in various application scenarios, some of our clients may from time to time require our cobots to be equipped with certain application scenario-specific functions such as laser welding and palletizing. As we do not manufacture such ancillary equipment and tools by ourselves, we procure such ancillary equipment and tools from third parties including Han's Laser if we consider it is in the interests of the Company and Shareholders as a whole. Typically, our cobots incorporate our proprietary motion control technology, integrating torque motors, servo drive systems and advanced control algorithms. For those clients who may require customized special-model motors, taking into consideration the size of the procurement order, the expected delivery date and the resources required, we may from time to time outsource such customized special-model motors to third parties including Han's Laser if we consider it is in the interests of the Company and Shareholders as a whole.

Our Company has been purchasing such products from Han's Laser during the Track Record Period in the ordinary and usual course of our business. Our Group and Han's laser have established a long-term and stable business relationship, and Han's Laser has acquired a comprehensive understanding of our business and operational requirements. Considering that Han's Laser has provided such products to us during the Track Record Period, we believe it is in the best interest of the Group and our Shareholders as a whole to continue to procure such products from Han's Laser who is capable of fulfilling our demands with a stable and high quality supply on terms which are similar to or better than those offered by Independent Third Parties. In addition, it would be more cost-effective for the Company to procure such products from third parties including Han's Laser rather than to invest additional resources (including manpower, manufacturing capacity and land) for special orders.

Pricing policies

The fees to be charged by Han's Laser in respect of above products shall be determined through arm's length negotiations between the relevant parties, taking into consideration the pricing offered by our clients, volume of products required, standard fee rate of Han's Laser, expected cost to be incurred by Han's Laser, and prevailing market price of comparable products. The Group will obtain fee quotes from Independent Third Parties for comparable products at least on an annual basis and/or before entering into any definitive agreements to ensure the terms offered by Han's Laser are similar to or better than the terms offered by Independent Third Parties under the similar circumstances.

Historical amounts

The transaction amounts in respect of our procurement of the above products were approximately RMB6.23 million, RMB2.35 million, RMB0.73 million and RMB0.26 million for the years ended December 31, 2022, 2023 and 2024 and for the nine months ended September 30, 2025, respectively.

Annual caps

The transaction amounts in respect of our procurement of the above products under the Procurement Framework Agreement for the three years ending December 31, 2026, 2027 and 2028 shall not exceed RMB2.0 million, RMB3.0 million and RMB4.0 million, respectively.

Basis of annual caps

In determining the annual caps for the transactions contemplated under the Procurement Framework Agreement, we have considered, among other things, the following:

- The historical transaction amount, including the unit costs and the expected market condition and general cost inflation for the relevant period;
- The anticipated expansion of our business in the rapidly expanding global cobot industry taking into account, among others, macroeconomic conditions, market demand and industry standards, which is expected to lead to a corresponding increase in our demand for (i) ancillary equipment and tools and (ii) customized special-model motors (as may be requested by some of our clients from time to time) in order to match our operating needs; and
- The quality of the products and pricing Han's Laser offers are reliable and more competitive than other suppliers. As such, we would generally prefer to procure from Han's Laser (although we have a number of alternative suppliers). In addition, some of our customers may specifically request for procurement of these products from Han's Laser.

4. Sales Framework Agreement

Principal terms

The Company entered into a sales framework agreement with Han's Laser (the "**Sales Framework Agreement**") on March 20, 2026, pursuant to which, we will provide our cobots and servo drives as well as complementary post-sale services and other technology services to Han's Laser. The initial term of the Sales Framework Agreement shall commence on the Listing Date until December 31, 2028. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principals provided in the Sales Framework Agreement.

Reasons for and benefits of the transaction

Han's Laser is one of leading intelligent manufacturing equipment and industrial automation solution providers, it operates in, among others, the industrial robot system integration industry. As a key player in the industrial robot system integration industry Han's Laser procures various robots and/or servo drives from third parties including the Group and integrates these robots and servo drives into its solutions offered to clients. Sale of robots and servo drives is in the ordinary and usual course of business of the Group.

Pricing policies

The fee charged by us is determined with reference to the sales pricing policy adopted by us which applies to all of our sales. Our sales pricing policy takes into consideration, among others, our cost and expense, our reasonable profit margin and customers' procurement volume. The pricing offered by us to Han's Laser is generally in line with that offered to other customers of our Group with similar procurement scale. The Group will conduct annual review to ensure the pricing terms under the Sales Framework Agreement shall be at least in line with the comparable market rates and in the best interests of our Company and our Shareholders as a whole.

Historical amounts

The transaction amounts in respect of the sale of the above products and services by us were approximately RMB12.60 million, RMB16.71 million, RMB16.07 million and RMB9.66 million for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

Annual caps

The transaction amounts in respect of the sale of the above products and services by us under the Sales Framework Agreement for the three years ending December 31, 2026, 2027 and 2028 shall not exceed RMB30.0 million, RMB40.0 million and RMB60.0 million, respectively.

Basis of annual caps

In determining the annual caps for the transactions contemplated under the Sales Framework Agreement, we have considered, among other things, the following:

- The historical transaction amount, including the unit costs and the expected market condition and general cost inflation for the relevant period;

- The estimated continuous business growth of Han's Laser, taking into account, among others, macroeconomic conditions, market demand and industry standards, which drives increase in demand for our products. As a key participant in the downstream industrial robot system integration industry in PRC and one of the largest industrial robot system integration manufacturer in PRC market, Han's Laser has a substantial demand for cobots and servo drives which are integrated into its solutions offered to clients; and

- As a leading player in the industry who offers high-quality products, our products are well recognized by Han's Laser and its customers, some of Han's Laser's customers may specifically request Han's Laser to procure our products. In addition, our Group and Han's Laser have established a long-term and stable business relationship, such that we have acquired a comprehensive understanding of Han's Laser's operational requirements. Hence, Han's Laser's procurement of the relevant products from us is expected to increase.

LISTING RULES IMPLICATIONS

In respect of the transaction under the Administrative Services Framework Agreement, as the highest applicable percentage ratio for each of the three years ending December 31, 2026, 2027 and 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to be less 5% on an annual basis and the highest annual cap for the three years ending December 31, 2028 is less than HKD3 million, such transactions will, upon Listing, constitute continuing connected transactions of our Company fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

In respect of the transactions under the Procurement Framework Agreement, as the highest applicable percentage ratio for each of the three years ending December 31, 2026, 2027 and 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to be more than 0.1% but less than 5% on an annual basis, such transactions will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting and announcement requirements under the Listing Rules.

In respect of the transactions under the Sales Framework Agreement, as the highest applicable percentage ratio for each of the three years ending December 31, 2026, 2027 and 2028 calculated for the purpose of Chapter 14A of the Listing Rules is expected to be more than 5% on an annual basis, such transactions will, upon Listing, constitute continuing connected transactions of our Company subject to the annual reporting, announcement and the independent shareholders' approval requirements under the Listing Rules.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under relevant framework agreements for the continuing connected transactions are fair and reasonable, or no less favorable than terms available to or from Independent Third Parties, and are carried out under normal commercial terms, we have adopted the following internal control procedures:

- our various internal departments will be responsible for the control and daily management in respect of the continuing connected transactions;

- our various internal departments will be jointly responsible for evaluating the terms under the framework agreement for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;

- our various internal departments will regularly monitor the fulfilment status of the annual caps and the transaction updates under the framework agreements; and

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation to ensure that, in accordance with the Listing Rules, the transactions are conducted in accordance with the terms of the framework agreements, on normal commercial terms and in accordance with the relevant pricing policies.

CONFIRMATION BY DIRECTORS

The Directors (including independent non-executive Directors) are of the view that the above continuing connected transactions have been entered into in the ordinary and usual course of business of our Group and on normal commercial terms or better that are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and the proposed annual caps for such continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION BY THE JOINT SPONSORS

The Joint Sponsors are of the view that the above continuing connected transactions have been entered into in the ordinary and usual course of business of the Group on normal commercial terms or better which are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and the proposed annual caps in respect of such continuing connected transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

WAIVERS GRANTED BY THE STOCK EXCHANGE

As the above continuing connected transactions are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the aforesaid announcement and/or independent shareholders' approval requirements (as the case may be) will be impractical, and such requirement will lead to unnecessary administrative costs and create an onerous burden on our Group. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, pursuant to Rule 14A.105 of the Listing Rules, waivers from strict compliance with the announcement and independent shareholders' approval requirements under Rule 14A.35 and Rule 14A.36 of the Listing Rules in respect of each of the above continuing connected transactions (as the case may be), provided that the total amount of transactions for each of the three years ending December 31, 2026, 2027 and 2028 will not exceed the relevant proposed annual caps as set out in this section. We will comply with the applicable requirements of the Listing Rules if we exceed the proposed annual caps set out in this section or if there are significant changes in the terms of such transactions.

Save for the announcement and/or independent shareholders' approval requirements (as the case may be) for which a waiver has been granted, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

OVERVIEW

Our Board consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. All our Directors and senior management meet the qualification requirements under the relevant PRC laws and regulations and the Hong Kong Listing Rules for their respective positions.

BOARD OF DIRECTORS

Brief information of our Directors is set out below:

Name	Age	Position	Date of appointment as Director	Date of joining our Group	Principal roles and responsibilities
Mr. Wang Guangneng (王光能)	51	Executive Director, chairperson of the Board and general manager	September 7, 2017	September 7, 2017	Responsible for the strategic planning, daily operations and management of our Group
Mr. Zhang Guoping (張國平)	47	Executive Director and chief technology officer	November 3, 2020	September 7, 2017	Responsible for research and development of our technology and product
Mr. Zhang Yingtao (張應濤)	40	Executive Director, chief financial officer and Board secretary	May 14, 2025	November 3, 2020	Responsible for financing, investor relations, financial management, legal and compliance, and business development of our Group
Dr. Fang Bin (房斌)	41	Non-executive Director	July 1, 2021	July 1, 2021	Responsible for participating in strategic decision making, supervision and management operations through the Board
Dr. Wang Yihua (王義華)	54	Independent Non-executive Director	May 14, 2025	May 14, 2025	Responsible for supervising and offering independent judgment to the Board
Dr. Huang Kai (黃凱)	48	Independent Non-executive Director	May 14, 2025	May 14, 2025	Responsible for supervising and offering independent judgment to the Board
Ms. Gao Li (高麗)	50	Independent Non-executive Director	May 14, 2025	May 14, 2025	Responsible for supervising and offering independent judgment to the Board

Executive Directors

Mr. Wang Guangneng (王光能), aged 51, is our founder, executive Director, chairperson of the Board and general manager. Mr. Wang also holds directorships in various subsidiaries of our Company, including Huayan Robotics Technology and Jiutian Power Technology.

Mr. Wang has over 25 years of experience in motors, servos and motion control. Prior to founding our Group in 2017, Mr. Wang worked as an electronic engineer at ASM Technology Singapore Pte Ltd (currently known as ASMPT Singapore Pte. Ltd.), a subsidiary of ASMPT Limited, which is listed on the Main Board of the Stock Exchange (stock code: 00522), from May 2001 to December 2004. Afterwards, from June 2005 to August 2017, Mr. Wang served as the deputy general manager, being responsible for leading product research and development, at Shenzhen Han's Motor Technology Co., Ltd. (深圳市大族電機科技有限公司), a wholly-owned subsidiary of Han's Laser, one of our substantial Shareholders. Mr. Wang was also appointed as (i) an industry professor of the Department of Electronic and Electrical Engineering, Southern University of Science and Technology (南方科技大學電子與電氣工程系) for a period from November 2023 to October 2026; and (ii) an expert in the strategic experts database of the Guangdong Provincial Development and Reform Commission (廣東省發展和改革委員會) for a period from April 2023 to April 2028.

Mr. Wang obtained his bachelor's degree in electrical technology from Beihang University (北京航空航天大學) in the PRC in July 1998 and his master's degree in power electronics and power transmission from Beihang University in March 2001. In November 2011, Mr. Wang was recognized as an Electrical Engineering Senior Engineer (電氣工程高級工程師) by the Shenzhen Human Resources and Social Security Bureau (深圳市人力資源和社會保障局). Mr. Wang was awarded the First Prize of Guangdong Science and Technology Award (廣東省科學技術獎勵一等獎) by the People's Government of Guangdong Province (廣東省人民政府) in February 2017 and the Second Prize of the 2019 National Technological Invention Award (2019年度國家技術發明二等獎) by the Ministry of Science and Technology (科技部) of the PRC in January 2020.

Mr. Zhang Guoping (張國平), aged 47, is our founder, executive Director and chief technology officer. Mr. Zhang has served as our chief technology officer since our incorporation in 2017 and was appointed as a Director in November 2020.

Mr. Zhang has over 20 years of experience in motors, servos and motion control. Prior to founding our Group in 2017, Mr. Zhang worked as a R&D engineer at ASM Assembly Automation Limited (先進自動器材有限公司) from May 2005 and as a R&D director at Shenzhen Han's Motor Technology Co., Ltd. (深圳市大族電機科技有限公司) from September 2008 to September 2017.

Mr. Zhang obtained his bachelor's degree in electronic engineering and automation from Beihang University in July 2002 and his master's degree in power electronics and power transmission from Beihang University in March 2005. In February 2013, Mr. Zhang was awarded the Second Prize of Guangdong Science and Technology Award (廣東省科學技術獎勵二等獎) by the People's Government of Guangdong Province. In 2017, Mr. Zhang was recognized as a Shenzhen High-level Professional Talent (深圳市高層次專業人才) by the Shenzhen Human Resources and Social Security Bureau.

Mr. Zhang Yingtao (張應濤), aged 40, is our executive Director, chief financial officer and Board secretary. Mr. Zhang Yingtao joined our Group in November 2020 and has since served as our strategy development director being responsible for among others, the investor relations, financing and financial management of the Group. He was appointed as an executive Director, chief financial officer and Board secretary in May 2025.

Mr. Zhang Yingtao is experienced in financing, investment management and financial management. His previous working experience includes, (i) to our best knowledge, working as an operations management trainee at S.F. Express Co., Ltd. (順豐速運有限公司), a wholly-owned subsidiary of S.F. Holding Co., Ltd. (順豐控股股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002352) and on the Main Board of the Stock Exchange (stock code: 06936), from October 2014 to June 2015; (ii) serving as an industry researcher at Shenzhen Qianhai Ningzhi Private Equity Securities Fund Management Co., Ltd. (深圳前海寧致私募證券基金管理有限公司) from August 2015 to February 2017, being responsible for, among others, evaluating investment targets from perspectives including financial status, business and prospects; (iii) serving as an investment manager at Shenzhen Xinjingjie Investment Management Co., Ltd. (深圳新境界

投資管理有限公司) from March 2017 to July 2019, being responsible for, among others, evaluating investment targets from perspectives including financial status, business and prospects; and (iv) serving as an investment director at Shenzhen Zijing Huifu Investment Management Partnership (Limited Partnership) (深圳市紫荊匯富投資管理合夥企業(有限合夥)) from August 2019 to October 2020, being responsible for, among others, evaluating investment targets from perspectives including financial status, business and prospects.

Mr. Zhang Yingtao obtained his bachelor's degree in management from Shenzhen University (深圳大學) in the PRC in June 2011 and his master's degree in economics from Shenzhen University in June 2014.

Non-executive Director

Dr. Fang Bin (房斌), aged 41, is our non-executive Director. Dr. Fang joined our Group and was appointed as a Director in July 2021.

Dr. Fang has served as a senior management personnel in Youshan Venture Capital Fund Management (Shenzhen) Co., Ltd. (優山創業投資基金管理(深圳)有限公司) since June 2019. Zhongshen Xinchuang is not a close associate of Dr. Fang Bin. For details of Zhongshen Xinchuang, see "History, Development and Corporate Structure — Pre-IPO Investments." Prior to that, Dr. Fang worked at Rongyuan Guangda (Tianjin) Equity Investment Management Partnership (Limited Partnership) (融源廣達(天津)股權投資管理合夥企業(有限合夥)) with his final position as an investment manager from July 2011 to March 2015, and as an investment director at Chuangjin Hecheng Investment Management (Beijing) Co., Ltd. (創金合成投資管理(北京)有限公司) from March 2015 to May 2019.

Dr. Fang obtained his bachelor's degree in management science from the University of Science and Technology of China (中國科學技術大學) in the PRC in July 2006 and his doctorate degree in management science in July 2011 from the Chinese Academy of Sciences (中國科學院).

Independent non-executive Directors

Dr. Wang Yihua (王義華), aged 54, is our independent non-executive Director. Dr. Wang was appointed as our independent non-executive Director in May 2025.

Dr. Wang has served as an associate professor of accounting by the Personnel Department of Guangdong Province (廣東省人事廳) (currently known as the Human Resources and Social Security Department of Guangdong Province (廣東省人力資源和社會保障廳)) since December 2006.

Dr. Wang has served as an independent director at Shenzhen Kiwi Instruments Co., Ltd. (深圳市必易微電子股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688045) since December 2020. From December 2018 to December 2024, Dr. Wang served as an independent director at Silkroad Visual Technology Co., Ltd. (絲路視覺科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300556). From November 2019 to November 2025, Dr. Wang served as an independent director at Anfu CE Link Ltd. (安福縣海能實業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300787). From December 2019 to January 2024, Dr. Wang served as an independent director at Shenzhen Xinhao Photoelectricity Technology Co., Ltd. (深圳市信濠光電科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301051). Dr. Wang also served as an independent director at Tubatu Group Co., Ltd. (土巴兔集團股份有限公司) from December 2020 to August 2022.

Dr. Wang graduated from Dongbei University of Finance and Economics (東北財經大學) in the PRC in July 1995 majoring in management information system, and then obtained her master's degree and doctoral degree in accounting from Dongbei University of Finance and Economics in April 1998 and December 2007, respectively. Dr. Wang was admitted as a member of the Chinese

Institute of Certified Public Accountants (CICPA), and as a non-practicing member of the Shenzhen Institute of Certified Public Accountants (深圳市註冊會計師協會) in December 2009. Dr. Wang possesses appropriate professional accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules.

Dr. Huang Kai (黃凱), aged 48, is our independent non-executive Director. Dr. Huang was appointed as our independent non-executive Director in May 2025.

Dr. Huang has served as a professor at Sun Yat-sen University (中山大學) since September 2015. Prior to that, Dr. Huang served as (i) a researcher in fortiss GmbH from August 2011 to July 2012, and (ii) a researcher in Technical University of Munich from July 2012 to June 2015.

Dr. Huang obtained his bachelor's degree in computer software from Fudan University (復旦大學) in the PRC in July 1999, his master's degree in computer science from Leiden University in Netherlands in August 2005, and his doctoral degree in sciences from the Federal Institute of Technology Zurich in Switzerland in January 2011.

Ms. Gao Li (高麗), aged 50, is our independent non-executive Director. Ms. Gao was appointed as our independent non-executive Director in May 2025.

Ms. Gao (i) served at Credit Suisse, first in the New York office and then in the Hong Kong office, from July 2007 to September 2016, with her final position in the Hong Kong office as a director at the APAC investment banking and capital markets department; (ii) served as an executive director at the global investment banking department of J.P. Morgan Securities (Asia Pacific) Limited from September 2016 to November 2019; (iii) served as a vice president of finance at Wal-Mart (China) Investment Co., Ltd. from January 2020 to June 2021, and (iv) served as a managing director at the investment banking department of Nomura International (Hong Kong) Limited from June 2021 to January 2024.

Ms. Gao obtained (i) her bachelor's degree in economics from Nanjing University (南京大學) in the PRC in July 1997, (ii) her master's degree in science from Nanjing University in the PRC in June 1999, (iii) her master of science degree from North Carolina State University in the U.S. in May 2001, and (iv) her master of business administration degree from Massachusetts Institute of Technology in the U.S. in June 2007.

SENIOR MANAGEMENT

Brief information of our senior management is set out below:

Name	Age	Position	Date of appointment as senior management	Date of joining our Group	Principal roles and responsibilities
Mr. Wang Guangneng (王光能)	51	Executive Director, chairperson of the Board and general manager	September 7, 2017	September 7, 2017	Responsible for the strategic planning, daily operations and management of our Group
Mr. Zhang Guoping (張國平)	47	Executive Director and chief technology officer	September 7, 2017	September 7, 2017	Responsible for research and development of our technology and product
Mr. Zhang Yingtao (張應濤).	40	Executive Director, chief financial officer and Board secretary	November 3, 2020	November 3, 2020	Responsible for financing, investor relations, financial management, legal and compliance, and business development of our Group

Mr. Wang Guangneng (王光能), is our executive Director, chairperson of the Board and general manager. See "— Executive Directors" in this section for the biographical details of Mr. Wang.

Mr. Zhang Guoping (張國平), is our executive Director and chief technology officer. See "— Executive Directors" in this section for the biographical details of Mr. Zhang.

Mr. Zhang Yingtao (張應濤), is our executive Director, chief financial officer and Board secretary. See "— Executive Directors" in this section for the biographical details of Mr. Zhang Yingtao.

JOINT COMPANY SECRETARIES

Mr. Zhang Yingtao (張應濤), is our joint company secretary. See "— Executive Directors" in this section for the biographical details of Mr. Zhang Yingtao.

Ms. Chan Pui Ching (陳佩貞), is our joint company secretary. Ms. Chan is a senior manager of company secretarial services of Tricor Services Limited, a member of Vistra Group. Ms. Chan has over 17 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Chan 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. Ms. Chan obtained a bachelor of social sciences degree from The University of Hong Kong in 2003.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules and further confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 24, 2025; and (ii) understands his or her obligations as a director of a listed issuer on the Stock Exchange under the Listing Rules.

Each of the independent non-executive Directors confirms (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

BOARD COMMITTEES

Our Company has established three Board Committees in accordance with the relevant PRC laws and regulations, the Articles and the corporate governance practice under the Listing Rules, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee of our Company consists of three members, namely, Dr. Wang Yihua, Ms. Gao Li and Dr. Huang Kai. Dr. Wang Yihua is the chairperson of the Audit Committee. The primary responsibilities of the Audit Committee are to review and supervise our financial reporting process, including:

(a) to make recommendations to the Board on the appointment, replacement and removal of the external auditor, to consider and approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee shall discuss with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;

(c) to develop and implement policy on engaging an external auditor to provide non-audit services;

(d) to monitor internal audit system of the Company and ensure the implementation of such systems;

(e) to facilitate communications between the internal audit department and external auditors;

(f) to review the financial information and relevant disclosures of the Company; and

(g) to monitor the Company in respect of financial reporting system, risk management and internal controls system.

Remuneration Committee

The Remuneration Committee of our Company consists of three members, namely, Dr. Wang Yihua, Mr. Wang Guangneng and Ms. Gao Li. Dr. Wang Yihua is the chairperson of the Remuneration Committee. The primary responsibilities of the Remuneration Committee include:

(a) to make recommendations to the Board on our Company's remuneration policy and structure for all Directors and senior management, and on the establishment of a formal and transparent procedure for developing the remuneration policy;

(b) to review and approve the remuneration proposals of senior management with reference to the Board's corporate goals and objectives;

(c) to make recommendations to the Board on the remuneration packages of the executive Director and senior management or to determine, with delegated responsibility, the remuneration packages of the executive Director and senior management. The remuneration packages shall include benefits in kind, pension rights and compensation payments (including compensation for loss or termination of their office or appointment);

(d) to make recommendations to the Board on the remuneration of non-executive Directors;

(e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in our Group;

(f) to review and approve the compensation payable to the executive Director and senior management for their loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;

(g) to review and approve the compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;

(h) to ensure that no Director or any of his associates is involved in deciding his own remuneration; and.

(i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Nomination Committee

The Nomination Committee of our Company consists of three members, namely, Dr. Wang Yihua, Mr. Wang Guangneng and Ms. Gao Li. Dr. Wang Yihua is the chairperson of the Nomination Committee. The primary responsibilities of the Nomination Committee include:

(a) to review the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement our Company's corporate strategy;

(b) to identify individuals suitably qualified to become board members and select and make recommendations to the Board on the selection of individuals nominated for directorships;

(c) to assess the independence of the independent non-executive Directors; and

(d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors (in particular the chairperson of the Board and the chief executive officer).

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate amount of remuneration paid to our Directors (including directors' fee, salaries, remuneration, pension, discretionary bonus, equity-settled share-based payments and other benefits in kind) for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 were approximately RMB6.3 million, RMB24.3 million, RMB2.9 million and RMB16.6 million, respectively. Further information on the remuneration of each Director during the Track Record Period is set out in Appendix I to this Prospectus.

For each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, the aggregate amount of directors' fee, salaries, remuneration, pension, discretionary bonus, equity-settled share-based compensation payments and other benefits in kind (if applicable) paid to the five highest-paid individuals of our Group were approximately RMB4.1 million, RMB6.2 million, RMB3.9 million and RMB18.6 million, respectively.

During the Track Record Period and up to the Latest Practicable Date, no remuneration was paid or payable by our Company to our Directors or the five highest-paid individuals as an inducement to join or upon joining our Company. During the Track Record Period and up to the Latest Practicable Date, no compensation was paid or payable by our Company to our Directors, former Directors or the five highest-paid individuals for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

During the Track Record Period and up to the Latest Practicable Date, none of our Directors has waived or agreed to waive any remuneration or benefits in kind. Save as disclosed above, no other payments were paid or payable by our Company or any of our subsidiaries to our Directors or the five highest-paid individuals during the Track Record Period and up to the Latest Practicable Date.

Under the arrangement currently in force, the aggregate amounts of remuneration payable by our Company to our Directors for the year ending December 31, 2025 to be approximately RMB2.7 million. The actual remuneration of Directors in 2025 may be different from the expected remuneration.

DIRECTORS' INTEREST

Save as disclosed in this Prospectus, none of our Directors (i) held any other positions in our Company or any other members of our Group as of the Latest Practicable Date; (ii) had any other relationship with any Directors, senior management or Controlling Shareholder of our Company as of the Latest Practicable Date; and (iii) held any directorship in any other listed companies in the three years immediately prior to the date of this Prospectus.

MANAGEMENT PRESENCE

We have applied for, and the Stock Exchange has granted, a waiver from compliance with Rule 8.12 of the Listing Rules. For further details, see "Waiver and Exemption" in this Prospectus.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain high standard of corporate governance, the Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The Board Diversity Policy sets out the criteria in selecting candidates to our Board, 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 merit and contribution that the selected candidates will bring to the Board.

Our Board currently consists of five male members and two female members, with three executive Directors, one non-executive Director and three independent non-executive Directors of ages ranging from 39 to 53. We consider that our Board has a balanced mix of skill-set, experience, expertise, and diversity which enhances decision-making capability and the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value.

The Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the Listing, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. 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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

We are committed to achieving high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, save for the deviation disclosed below, we expect to comply with the corporate governance requirements under the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules after the Listing.

Pursuant to code provision C.2.1 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 chairperson of the board and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairperson of the Board and chief executive, and Mr. Wang currently acts as both our chairperson of the Board and our general manager. Mr. Wang is our founder and has played an important leadership role in our Company's development. The Board believes that vesting the roles of both chairperson of the Board and general manager in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The 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. For further information relating to our Company's corporate governance measures, see "Relationship with Our Controlling Shareholders — Corporate Governance" in this Prospectus.

COMPLIANCE ADVISER

We have appointed Gram Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, we must consult with and, if necessary, seek advice from our compliance adviser on a timely basis 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 but not limited to share issues and share repurchases;

(iii) where our Company proposes to use the proceeds of the Global Offering in a manner different from that detailed in this Prospectus, or where the business activities, developments or results of our Group deviate from any forecast, estimate or other information in this Prospectus; and

(iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters under Rule 13.10 of the Listing Rules.

The term of the appointment of our compliance adviser shall commence on the Listing Date and end on the date when we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date, and such appointment may be subject to extension by mutual agreement.

CORE R&D TEAM MEMBERS

For further details of the experience of our core R&D team members, see "Business — Research and Development — R&D Team and Core Members" in this Prospectus.

OVERVIEW

As of the Latest Practicable Date, Mr. Wang and Mr. Zhang beneficially owned 3.15% and 0.45% of the total issued share capital of our Company, respectively. In addition, Mr. Wang ultimately controlled 35.84% voting rights, which are attached to the 25.10%, 4.20%, 1.73%, 0.81%, 1.91%, 1.11%, 0.55% and 0.42% of the total issued share capital of our Company held by Zhirentuan, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun, respectively. Each of Zhirenxing, Zhirentuan, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun is controlled and manged by Zhirentuan Tech as its general partner. Zhirentuan Tech is in turn owned as to 99% and 1% by Mr. Wang and Mr. Zhang, respectively. On April 30, 2025, Mr. Wang and Mr. Zhang entered into the Acting in Concert Agreement to record and formalize their cooperation, pursuant to which, Mr. Wang and Mr. Zhang confirmed that they and entities controlled by them had been acting in concert since he/it became a Director or Shareholder and will continue to act in concert to align their votes at the Board meetings and the general meetings of the Company (as the case may be). See "History, Development and Corporate Structure — Corporate Structure" in this Prospectus for details. Therefore, as of the Latest Practicable Date, Mr. Wang, Mr. Zhang, Zhirentuan Tech, Zhirentuan, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun collectively controlled 39.44% voting rights of the Company and constituted the group of Controlling Shareholders.

Immediately following the completion of the Global Offering, Mr. Wang, Mr. Zhang, Zhirentuan, Zhirentuan Tech, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun continue to control 31.89% of voting rights of our Company (assuming the Offer Size Adjustment Option and the Over-allotment Option are fully exercised) or approximately 33.45% voting rights of the Company (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). Therefore, Mr. Wang, Mr. Zhang, Zhirentuan, Zhirentuan Tech, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun will remain as the group of Controlling Shareholders upon Listing.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of our Controlling Shareholders confirmed that as of the Latest Practicable Date, apart from the business of our Company, he/it did not have any interest in other business, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we can carry on our business independently from our Controlling Shareholders and its close associates after the Listing.

Management Independence

Upon completion of the Listing, our Board will comprise seven Directors, comprising three executive Directors, one non-executive Director and three independent non-executive Directors. See "Directors and Senior Management" in this Prospectus for details.

Our Directors believe that our Board and senior management is able to manage our business and function independently from our Controlling Shareholders and their respective associates based on the following reasons:

(a) Save for Mr. Wang and Mr. Zhang acting as our Controlling Shareholders, none of the other Directors and members of our senior management team hold any position in the Controlling Shareholders or their respective associates. In addition, Mr. Zhang Yingtao (張應濤), one of our executive Directors and members of senior management who joined the Group in 2020, has an in-depth understanding of our business and operation;

(b) each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(c) 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;

(d) our Board has a balanced composition of executive Directors, non-executive Director and independent non-executive Directors which ensures the independence of the Board in making decisions affecting our Company. Specifically, (i) our independent non-executive Directors are not associated with any of the Controlling Shareholders or their respective close associates; (ii) our independent non-executive Directors account for more than one-third of the Board; and (iii) our independent non-executive Directors, details of whom are set out in the section headed "Directors and Senior Management" in this Prospectus, together possess the requisite knowledge, expertise and experience for their views to carry weight and are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interest of our Company and our Shareholders as a whole;

(e) upon Listing, we will adopt a series of corporate governance measures and sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Company and our Controlling Shareholders which would support our independent management. See "— Corporate Governance" in this section for details.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Company independently from our Controlling Shareholders and their respective close associates after the Listing.

Operational Independence

Although Mr. Wang and Mr. Zhang will retain a controlling interest in our Company upon Listing, we believe that we can operate our business independently from our Controlling Shareholders due to the following reasons:

(a) we hold and enjoy the benefit of all relevant qualifications and licenses necessary to operate our business;

(b) we have a sufficient level of operations, assets, facilities, technologies and employees including research and development employees to support our own listing status and to operate and function independently from our Controlling Shareholders;

(c) we also maintain a comprehensive set of internal control procedures for facilitating the effective operation of our business. With reference to the relevant laws, regulations and rules, we have developed sound corporate governance practice and have adopted our rules of procedure for general meetings, rules of procedure for Board meetings and connected transactions regulations;

(d) we have our own financial department, human resources and administration department and audit department. These departments are led and supervised by our own senior management team who reports to the Board. In addition, we have our own internal financial procedures and prepare our own financial budget independently; and

(e) we have also adopted a set of corporate governance measures and internal control procedures to maintain effective and independent operation. See the corporate governance measures stipulated under "— Independence From Our Controlling Shareholders — Management Independence" and "— Corporate Governance" in this section.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their respective close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Company's own business needs. We have our own internal control and accounting systems and an independent finance department for discharging the treasury function and independent access to third party financing. We do not expect to rely on our Controlling Shareholders and their respective close associates for financing after the Listing.

As of the Latest Practicable Date, we did not have any outstanding loans, guarantees or other form of financial assistance provided by Controlling Shareholders or their respective close associates to the Group.

Based on the above, our Directors believe that from a financial perspective, we are capable of carrying on our business independently from the Controlling Shareholders and their respective close associates and are able to maintain our financial independence.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Company and our Controlling Shareholders:

(a) where a Board meeting is held for the matters in which any Director or his/her associates have a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates has a material interest, our Controlling Shareholders or their respective associates will not vote on the resolutions and shall not be counted in the quorum in the voting;

(c) as part of our preparation for the Listing, we have amended our Articles of Association to comply with the Listing Rules which will become effective upon Listing. In particular, our Articles of Association provides that, a Director shall be abstained from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(d) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;

(e) we are committed that our Board shall include a balanced composition of executive Director and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and independent opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, see "Directors and Senior Management" in this Prospectus for details;

(f) where our Directors reasonably request the advice of independent professionals such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Gram Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Company and our Controlling Shareholders, and to protect minority Shareholders' interests after the Listing.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering, the following persons are expected to have an interest and/or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company:

			As of the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and Over-Allotment Option are not exercised)(1)		
Name of Substantial Shareholders	**Type of Shares**	**Nature of Interest**	**Number of Shares**	**Approximate percentage in the total registered share capital of the Company**	**Number of Shares**	**Approximate percentage of shareholding in the relevant type of Shares**	**Approximate percentage in the total registered share capital of the Company**
Mr. Wang(2)	Unlisted Shares	Beneficial owner	14,218,750	3.15%	–	–	–
		Interest in controlled corporation	161,520,600	35.84%	18,027,800	100%	3.39%
		Interest in parties acting in concert	2,031,250	0.45%	–	–	–
	H Shares	Beneficial owner	–	–	14,218,750	2.77%	2.68%
		Interest in controlled corporation	–	–	143,492,800	27.95%	27.00%
		Interest in parties acting in concert	–	–	2,031,250	0.40%	0.38%
Mr. Zhang(2)	Unlisted Shares	Beneficial owner	2,031,250	0.45%	–	–	–
		Interest in parties acting in concert	175,739,350	38.99%	18,027,800	100%	3.39%
	H Shares	Beneficial owner	–	–	2,031,250	0.40%	0.38%
		Interest in parties acting in concert	–	–	157,711,550	30.72%	29.67%
Han's Laser	Unlisted Shares	Beneficial owner	75,586,735	16.77%	–	–	–
	H Shares	Beneficial owner	–	–	75,586,735	14.72%	14.22%
Zhongshen Xinchuang(3) . . .	Unlisted Shares	Beneficial owner	33,163,265	7.36%	–	–	–
	H Shares	Beneficial owner	–	–	33,163,265	6.46%	6.24%

Notes:

(1) The calculation is based on the assumption that immediately following the completion of the Global Offering, there will be a total number of 531,479,980 Shares (including 513,452,180 H Shares and 18,027,800 Unlisted Shares without taking into consideration the exercise of the Offer Size Adjustment Option and the Over-allotment Option) in issue.

(2) Pursuant to the Acting in Concert Agreement, Mr. Wang and Mr. Zhang confirmed that they and entities controlled by them had been acting in concert since he/it became a Director or Shareholder and will continue to act in concert to align their votes at the Board meetings and the general meetings of the Company (as the case may be). Each of Zhirenxing, Zhirentuan, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun is controlled and manged by Zhirentuan Tech as its general partner. Zhirentuan Tech is owned as to 99% and 1% by Mr. Wang and Mr. Zhang, respectively. Therefore, under the SFO, each of Mr. Wang, Mr. Zhang, Zhirentuan Tech, Zhirenxing, Zhirentuan, Xianzhikong Zhirenying, Zhirenju, Zhirenxue, Zhirenle and Zhirenyun is deemed to be interested in the Shares held by each other.

(3) The general partner of Zhongshen Xinchuang is Shenzhen Youyue Consulting Partnership Enterprise (Limited Partnership) (深圳優嶽諮詢合夥企業(有限合夥)) ("**Shenzhen Youyue**"), whose general partner is Youshan Venture Capital Fund Management (Shenzhen) Co., Ltd. (優山創業投資基金管理(深圳)有限公司) ("**Youshan Fund Management**"), which is in turn owned by Mr. Chen Yingjiu as to 95%. As such, each of Shenzhen Youyue, Youshan Fund Management and Mr. Chen Yingjiu is deemed to be interested in the Shares held by Zhongshen Xinchuang.

Save as disclosed above and "Statutory and General Information — 4. Disclosure of Interest — A. Substantial Shareholders" in Appendix IV to this Prospectus, our Directors are not aware of any other person who will have any interest and/or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company or any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

OUR SHARE CAPITAL

Immediately before the Global Offering

As of May 29, 2025, the registered share capital of our Company was RMB90,138,996, consisting of 450,694,980 Shares, with a nominal value of RMB0.2 each.

Upon the Completion of the Global Offering

Immediately after the Global Offering and Conversion of Unlisted Shares into H Shares (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the Global Offering
Unlisted Shares	18,027,800	3.39%
H Shares to be converted from Unlisted Shares	432,667,180	81.41%
H Shares to be issued pursuant to the Global Offering	80,785,000	15.20%
Total	531,479,980	100%

Assuming the Offer Size Adjustment Option is exercised in full and the Over-allotment Option is not exercised, the share capital of our Company immediately following the Global Offering and Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the Global Offering
Unlisted Shares	18,027,800	3.32%
H Shares to be converted from Unlisted Shares	432,667,180	79.59%
H Shares to be issued pursuant to the Global Offering	92,902,600	17.09%
Total	543,597,580	100%

Assuming the Offer Size Adjustment Option is not exercised and the Over-allotment Option is exercised in full, the share capital of our Company immediately following the Global Offering and Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the Global Offering
Unlisted Shares	18,027,800	3.32%
H Shares to be converted from Unlisted Shares	432,667,180	79.59%
H Shares to be issued pursuant to the Global Offering	92,902,600	17.09%
Total	543,597,580	100%

Assuming the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the share capital of our Company immediately following the Global Offering and Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the Global Offering
Unlisted Shares	18,027,800	3.23%
H Shares to be converted from Unlisted Shares	432,667,180	77.60%
H Shares to be issued pursuant to the Global Offering	106,837,800	19.16%
Total	557,532,780	100%

OUR SHARES

Upon completion of the Global Offering and conversion of Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares.

Our H Shares may only be subscribed for and traded in Hong Kong dollars. Our Unlisted Shares, on the other hand, may only be subscribed for and traded in RMB. Apart from certain qualified domestic institutional investors in the PRC, through Shanghai-Hong Kong Stock Connect, or through Shenzhen-Hong Kong Stock Connect or other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, our H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC. Our Unlisted Shares, on the other hand, can be purchased or transferred between legal or natural persons of the PRC, qualified foreign institutional investors and qualified foreign strategic investors.

We shall pay all dividends in respect of H Shares in Hong Kong dollars and all dividends in respect of Unlisted Shares in RMB. See "Appendix III — Summary of the Articles of Association" for details of the circumstances under which general meetings of our Company are required. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares, dividends in the form of Shares will be distributed in the form of additional H Shares. For holders of Unlisted Shares, dividends in the form of Shares will be distributed in the form of additional Unlisted Shares.

The Offer Shares will rank pari passu in all respects with all Shares currently in issue or to be issued as mentioned in this Prospectus and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this Prospectus.

CONVERSION OF UNLISTED SHARES INTO H SHARES

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Hong Kong Stock Exchange, such conversion, listing and trading will need to be filed with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Hong Kong Stock Exchange.

Filing with the CSRC for Full Circulation

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share listed companies which apply for the conversion of unlisted shares into H shares for listing and circulation on the Hong Kong Stock Exchange shall file with the CSRC by filing materials on key compliance issues. An unlisted domestic joint stock company may apply for "full circulation" when applying for an overseas initial public offering.

We applied for a "full circulation" filing when filing with the CSRC for an overseas listing on May 30, 2025, and submitted the filing reports, authorization documents of the shareholders of Unlisted Shares which applied for the H-share "full circulation", undertaking on the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

We have received the filing notice from the CSRC dated February 14, 2026 in relation to the overseas listing and "full circulation", pursuant to which certain Shareholders ("**Full Circulation Participating Shareholders**") could convert 432,667,180 Unlisted Shares into H Shares on a one-for-one basis upon the completion of the Global Offering.

Listing Approval by the Hong Kong Stock Exchange

We have applied to the Listing Committee of the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the Offer Size Adjustment Option or the Over-allotment Option), and the H Shares to be converted from 432,667,180 Unlisted Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Hong Kong Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (1) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS.

Domestic Procedures

The Full Circulation Participating Shareholders may only deal the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and listing:

i. We will appoint CSDCC as the nominal holder to deposit the relevant securities at CSDCC (Hong Kong), which will then deposit the securities at HKSCC in its own name. CSDCC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;

ii. We will engage a domestic securities company ("**Domestic Securities Company**") to provide services such as sending orders for trading of the converted H Shares and receipt of transaction returns. The Domestic Securities Company will engage a Hong Kong securities company ("**Hong Kong Securities Company**") for settlement of share transactions. We will make an application to CSDCC, Shenzhen Branch for the maintenance of a detailed record of the initial holding of the converted H Shares held by our Shareholders. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by CSDCC, Shenzhen Branch as authorized by Shenzhen Stock Exchange ("**SZSE**");

iii. The SZSE shall authorize Shenzhen Securities Communication Co., Ltd. to provide services relating to transmission of trading orders and transaction returns in respect of the converted H Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the H Shares;

iv. According to the Notice of 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》), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share "Full circulation" at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share "Full circulation" at the Hong Kong Securities Company; and

v. The Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDCC (Hong Kong), CSDCC (Hong Kong) and CSDCC, CSDCC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

Please see below for details of the Conversion of Unlisted Shares into H Shares:

Shareholder	**Number of Shares to be converted to H Shares upon completion of the Global Offering**	**Number of Unlisted Shares upon completion of the Global Offering**
Zhirenxue	–	8,617,800
Zhirenle	–	5,000,000
Zhirenju	–	2,500,000
Zhirenyun	–	1,910,000
Sub-total	–	18,027,800
Other Shareholders [(1)]	432,667,180	–
Total	432,667,180	18,027,800

Note

(1) Refers to all Shareholders of the Company except for Zhirenxue, Zhirenle, Zhirenju and Zhirenyun. See "History, Development and Corporate Structure – Capitalization of our Company" for details of number of Shares held by each Shareholder.

LOCK-UP PERIODS

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by the Company prior to the Global Offering will be subject to such statutory restriction on transfer within a period of one year from the Listing Date. See "History, Development and Corporate Structure — Lock-up Period."

The Company will work with the Domestic Securities Company to be engaged by the Company to restrict the trading of the H Shares converted from unlisted Shares technically within one year after the Listing. In the unlikely event that any Full Circulation Participating Shareholders trades their H Shares during such restriction period, as advised by the PRC Legal Advisor there will be no administrative penalty on the Company under the PRC laws and regulations but there is risk that the underlying agreement for the transfer of such H Shares may be declared void pursuant to the Civil Code of the People's Republic of China.

Our Directors and members of senior management shall declare their shareholdings in the Company and any changes in their shareholdings. Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons held in the Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in the Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors and members of senior management.

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 in accordance with the relevant business rules of CSDCC 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 CSDCC.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders increase its capital or decrease its capital or capital redemption reserve. See "Appendix III — Summary of the Articles of Association" in this Prospectus for further details.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 200 H Shares) that may be purchased for an aggregate amount of approximately US$98.4 million (or approximately HK$769.5 million, calculated based on an exchange rate of US$1.00 to HK$7.82) and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the "**Cornerstone Placing**").

Based on the Offer Price of HK$17.00 per Offer Share, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 45,265,800 Offer Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
56.0%	8.5%	48.7%	8.3%	48.7%	8.3%	42.4%	8.1%

We believe that the Cornerstone Placing demonstrates our Cornerstone Investors' confidence in our Company and our business prospect, and that leveraging on the Cornerstone Investors' investment or industry experience, the Cornerstone Placing will help to raise the profile of our Company. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through introduction by the Company's Overall Coordinators.

The Cornerstone Placing will form part of the International Offering, and the Cornerstone Investors and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering of the Company and will be counted towards the public float of our Company under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors and their close associates will become a substantial Shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

Among the Cornerstone Investors, Richfirm is an entity ultimately owned as to 91.08% and 8.92% by the State-owned Assets Supervision and Administration Commission of Shunde District, Foshan City (佛山市順德區國有資產監督管理局) ("**Shunde SASAC**") and the Department of

Finance of Guangdong Province (廣東省財政廳), respectively. Accordingly, Richfirm is ultimately controlled by Shunde SASAC. Thus, for the purpose of the Cornerstone Placing, Richfirm is considered as a close associate of our existing Shareholders which are ultimately controlled by government or state-owned authorities within Guangdong Province (each not a substantial Shareholder) including: (i) Guangdong Yuecai Industry Investment Fund Partnership (Limited Partnership) (廣東粵財產業投資基金合夥企業(有限合夥)), holding 1.05% of our Company's issued share capital, is ultimately controlled by the Guangdong Provincial People's Government (廣東省人民政府) ("**Guangdong Provincial Government**"), (ii) Guangzhou Chuangying Jianke Investment Partnership (Limited Partnership) (廣州創盈建科投資合夥企業(有限合夥)), holding 0.01% of our Company's issued share capital, is ultimately controlled by the Guangdong Provincial Government, (iii) Shenzhen Investment Holdings Donghai Small, Medium & Micro Venture Capital Enterprise (Limited Partnership) (深圳投控東海中小微創業投資企業(有限合夥)), holding 1.47% of our Company's issued share capital, is ultimately controlled by Shenzhen Municipal People's Government State-owned Assets Supervision and Administration Commission (深圳市人民政府國有資產監督管理委員會) ("**Shenzhen SASAC**"), (iv) Shenzhen Small and Medium Guarantee Venture Capital Co., Ltd. (深圳市中小擔創業投資有限公司), holding 0.86% of our Company's issued share capital, is ultimately controlled by Shenzhen SASAC; and (v) Shenzhen Talent Innovation and Entrepreneurship No. 3 Phase II Equity Investment Fund Partnership (深圳市人才創新創業三號二期股權投資基金合夥企業(有限合夥)), holding 0.86% of our Company's issued share capital, is ultimately controlled by Shenzhen SASAC.

We have applied for, and the Stock Exchange has granted, a waiver under Rule 10.04 of the Listing Rules and a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules in relation to the subscription of the Offer Shares as Cornerstone Investors by Richfirm. Please refer to the section headed "Waivers and Exemption — Waiver and Consent in respect of Subscriptions of Offer Shares by Close Associates of Existing Shareholder as Cornerstone Investors" for further details.

To the best knowledge of our Company, save for Richfirm, (i) none of the Cornerstone Investors is accustomed to taking instructions from our Company or any of our Directors, chief executive, our Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective subsidiaries, or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them; (ii) each of the Cornerstone Investors is not financed directly or indirectly by our Company or any of our Directors, chief executive of our Company, our Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates; and (iii) each of the Cornerstone Investors and their respective ultimate beneficial owners are independent of the other Cornerstone Investors, our Group, our connected persons and their respective associates, and is not an existing Shareholder or a close associate of our Group; and as confirmed by each of the Cornerstone Investors, each of the Cornerstone Investors and their respective ultimate beneficial owners are independent from each other and make independent investment decisions, and their subscription under the Cornerstone Placing would be financed by its own internal financial resources, financial resources of its shareholders or the assets managed for its investors (in the case of Cornerstone Investors which are funds or investment managers) and it has sufficient funds to settle its respective investment under the Cornerstone Placing. Each of the Cornerstone Investors has further confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing.

The Cornerstone Investors have agreed to fully pay for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange. Some of the Cornerstone Investors have agreed that our Company and Overall Coordinators in their sole discretion may defer the delivery of all or part of the Offer Shares such Cornerstone Investors will subscribe to on a date later than the Listing Date. Where delayed delivery takes place, each of such Cornerstone Investors that may be affected by such delayed delivery has agreed that it shall nevertheless fully pay for the relevant Offer Shares before the Listing.

The total number of Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering as described in the paragraph headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation" in this Prospectus. The number of Offer Shares to be acquired by each Cornerstone Investor may be reduced on a *pro rata* basis in accordance with the terms of the Cornerstone Investment Agreement to satisfy the short fall, after taking into account the requirements under Appendix F1 to the Listing Rules as well as the discretion of the Overall Coordinators (for themselves and on behalf of the International Underwriters) to exercise the Offer Size Adjustment Option and the Over-allotment Option. Further, the Overall Coordinators and the Company can adjust the allocation of the number of H Shares to be subscribed for by the Cornerstone Investors in their sole and absolute discretion for the purpose of satisfying (i) Rule 8.08(3) of the Listing Rules which provides that no more than 50% of the H Shares in public hands on the Listing Date can be beneficially owned by the three largest public shareholders; (ii) the minimum public float requirement under Rule 19A.13A of the Listing Rules or as otherwise approved by the Stock Exchange; (iii) the minimum free float requirement under Rule 19A.13C of the Listing Rules; (iv) Rule 18C.08 to the Listing Rules which provides that at least 50% of the total number of shares offered in the initial public offering (excluding any shares to be issued pursuant to the exercise of any offer size adjustment option and over-allotment option) of a Specialist Technology Company must be taken up by independent price setting investors in the placing tranche (whether as cornerstone investors or otherwise); and (v) Appendix F1 (Placing Guidelines for Equity Securities) to the Listing Rules. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around March 27, 2026.

THE CORNERSTONE INVESTORS

The table below sets forth details of the Cornerstone Placing:

Based on the Offer Price of HK$17.00 per H Share

			Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Cornerstone Investor	Subscription Amount[(1)]	Number of Offer Shares[(2)]	Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
	(USD in millions)									
HHLRA	30.0	13,802,400	17.1%	2.6%	14.8%	2.5%	14.8%	2.5%	12.9%	2.5%
GF Fund	30.0	13,802,400	17.1%	2.6%	14.8%	2.5%	14.8%	2.5%	12.9%	2.5%
MSIP	10.0	4,600,800	5.7%	0.8%	4.9%	0.8%	4.9%	0.8%	4.3%	0.8%
Samson Group	6.4	2,941,000	3.7%	0.6%	3.2%	0.6%	3.2%	0.6%	2.7%	0.5%
Haojun Investment and HTCI (in connection with Haojun Investment OTC Swaps)	5.8	2,667,800	3.3%	0.5%	2.9%	0.5%	2.9%	0.5%	2.5%	0.5%
Eternal Summer	5.0	2,300,400	2.8%	0.4%	2.5%	0.4%	2.5%	0.4%	2.2%	0.4%
Shrewd Pioneer	5.0	2,300,400	2.8%	0.4%	2.5%	0.4%	2.5%	0.4%	2.2%	0.4%
Richfirm	3.2	1,470,400	1.8%	0.3%	1.6%	0.3%	1.6%	0.3%	1.4%	0.3%
VVC Technology	3.0	1,380,200	1.7%	0.3%	1.5%	0.3%	1.5%	0.3%	1.3%	0.2%
Total	**98.4**	**45,265,800**	**56.0%**	**8.5%**	**48.7%**	**8.3%**	**48.7%**	**8.3%**	**42.4%**	**8.1%**

Notes:

(1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy. The actual investment amount shall be converted to Hong Kong dollars based on the exchange rate as disclosed in this Prospectus.

(2) Subject to rounding down to the nearest whole board lot of 200 Offer Shares.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

HHLRA

HHLR Advisors, Ltd. ("**HHLRA**"), part of the Hillhouse Group, an exempted company incorporated in the Cayman Islands, will subscribe for the relevant number of Offer shares under the Cornerstone Investment Agreement in its capacity as an investment manager and on behalf of the investment funds (collectively, the "**HHLRA Funds**"), which are limited partnerships formed under the laws of the Cayman Islands. There is no individual limited partner investor who holds an economic interest of 30% or more in the HHLRA Funds. HHLRA intends to hold the Offer shares through one of the HHLRA Funds, namely HACF, L.P.

HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across industrial, consumer, healthcare and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions.

GF Fund

GF Management Co., Ltd. (廣發基金管理有限公司) ("**GF Fund Management**") and GF International Investment Management Limited (廣發國際資產管理有限公司) ("**GF Fund HK**", together with GF Fund Management, "**GF Fund**") have, respectively, entered into Cornerstone Investment Agreement with our Company.

GF Fund Management was established on August 5, 2003. As of December 31, 2025, GF Fund Management's assets under management exceeded 2 trillion yuan with comprehensive product lines, and covering active equity, bonds, currencies, overseas investment, passive investments, FOF, quantitative hedging, etc., in order to meet the diversified investment needs of domestic and foreign clients. The controlling shareholder of GF Fund Management is GF Securities Co., Ltd. (廣發証券股份有限公司) ("**GF Securities**"), a limited company listed on the Stock Exchange (stock code: 1776) and Shenzhen Stock Exchange (stock code: 000776), which owns 54.53% shareholding in GF Fund Management. Apart from GF Securities, no other shareholder has a 30% or more shareholding in GF Fund Management.

GF Fund HK is a wholly-owned subsidiary of GF Fund Management. GF Fund HK (central number in the Hong Kong Securities and Futures Commission license: AXL121) was incorporated in Hong Kong in December 2010. GF Fund HK is licensed by SFC to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong. GF Fund HK serves as the global investment and business platform for its parent company, GF Fund Management. As GF Fund Management's window company overseas, GF Fund HK strategically connects China and the overseas market. GF Fund HK capitalizes the investment and research capabilities of GF Fund Management and its competitive advantage in the overseas market to provide comprehensive quality service to its clients.

The subscription of the Offer Shares as a Cornerstone Investor will be made by GF Fund Management and GF Fund HK in their capacity as the discretionary investment manager of a total of nine funds under their management, which focus on investing in selected high-quality companies across global markets. Based on the best knowledge of GF Fund Management and GF Fund HK, each fund is an Independent Third Party, and no ultimate beneficial owner holds more than 30% interest.

MSIP

Morgan Stanley & Co. International plc ("**MSIP**") is a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling entity is Morgan Stanley. Morgan Stanley together with its subsidiary undertakings forms the "Morgan Stanley Group". Morgan Stanley is a global financial services firm authorized as a Financial Holding Company and regulated by the Board of Governors of the Federal Reserve System in the United States of America. The Morgan Stanley Group operates within the financial services industry and is subject to extensive supervision and regulation. The principal activity of the Morgan Stanley Group is the provision of financial services to a global client base consisting of corporations, governments and financial institutions. Financial services include investment banking, sales and trading, and other services to clients.

Samson Group

Samson Group Limited (晟信集團有限公司) ("**Samson Group**"), a limited liability company incorporated in Hong Kong on August 28, 2024, is a diversified investment group focusing on investments in high-end intelligent manufacturing and computing-power infrastructure. Samson Group is wholly owned by CHEN En (陳恩), an Independent Third Party.

Chen En and his team possess extensive experience in financial and industrial investment, with a proven track record in both primary market strategic investments and secondary market investments. They have participated in investments in various companies including Dongguan Shunwei Semiconductor Co., Ltd. (東莞順為半導體有限公司), Lianchuang Electronic Technology Co., Ltd. (聯創電子科技股份有限公司), a limited company listed on the Shenzhen Stock Exchange (stock code: 002036), and JL Mag Rare-Earth Co., Ltd. (江西金力永磁科技股份有限公司), a limited company listed on the Shenzhen Stock Exchange (stock code: 300748), covering sectors such as new energy batteries, high-end intelligent manufacturing, and biopharmaceuticals.

Chen En and his team became acquainted with us through the introduction by one of the Underwriters.

Haojun Investment and HTCI (in connection with Haojun Investment OTC Swaps)

Huatai Capital Investment Limited ("**HTCI**") and Huatai Securities Co., Ltd. ("**HTSC**") will enter into a series of cross border over-the-counter swap transactions (collectively, the "**Haojun Investment OTC Swaps**") with each other and their ultimate client (the "**HTCI Ultimate Client (Haojun Investment)**"), pursuant to which HTCI will hold the Offer Shares on a non-discretionary basis to hedge the Haojun Investment OTC Swaps while the economic risks and returns of the underlying Offer Shares are ultimately passed to the HTCI Ultimate Client (Haojun Investment), subject to customary fees and commissions. Haojun Investment OTC Swaps will be fully funded by the HTCI Ultimate Client (Haojun Investment). During the terms of the Haojun Investment OTC Swaps, all economic returns of the Offer Shares subscribed by HTCI will be ultimately passed to the HTCI Ultimate Client (Haojun Investment) and all economic loss shall be borne by the HTCI Ultimate Client (Haojun Investment) through the Haojun Investment OTC Swaps, and HTCI will not take part in any economic return or bear any economic loss in relation to the Offer Shares, subject to customary fees and commissions. The Haojun Investment OTC Swaps are linked to the Offer Shares and the HTCI Ultimate Client (Haojun Investment) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into among HTCI, the Company, the Joint Sponsors and the Overall Coordinators, and ending on the date which is six months from the Listing Date, request to early terminate the Haojun Investment OTC Swaps at its own discretion, upon which HTCI may dispose of the Offer Shares on the secondary market and the HTCI Ultimate Client (Haojun Investment) will receive a final settlement amount of the Haojun Investment OTC Swaps in cash in accordance with the terms and conditions of the Haojun Investment OTC Swaps. Despite that HTCI will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the

Haojun Investment OTC Swaps. To the best knowledge of HTCI after having made all reasonable inquiries, the HTCI Ultimate Client (Haojun Investment) is an Independent Third Party of (i) the Company, the connected persons or associates thereof, and (ii) HTCI, and the companies which are members of the same group of HTCI.

During the life of the Haojun Investment OTC Swaps, HTCI may continue to hold the Offer Shares in its custodian account, or to hold some or all of the Offer Shares in a prime brokerage account for stock borrowing purpose, which is consistent with market practice to lower its finance cost, provided that the economic interests are ultimately passed to the HTCI Ultimate Client (Haojun Investment).

HTCI is an indirect wholly-owned subsidiary of HTSC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601688), the H shares of which are listed on the Stock Exchange (stock code: 6886), and the global depositary receipts of which are listed on the London Stock Exchange (LON: HTSC). The investment in the Haojun Investment OTC Swaps by Ningbo Meishan Free Trade Port Zone Haojun Investment Management Co., Ltd. (寧波梅山保税港區灝浚投資管理有限公司) ("**Haojun Investment**") is on a proprietary investment basis. Haojun Investment, a private fund management company with the registration under the Asset Management Association of China (AMAC), is an integrated asset management focusing on investment opportunities in the new energy, consumer, intelligent manufacturing and semiconductor sectors. Haojun Investment is ultimately owned as to 60% and 40% by Shi Yu (史瑜) (the chairperson of Haojun Investment) and Chen Chen (陳辰), respectively, each an Independent Third Party.

Eternal Summer

Eternal Summer Consulting Company Ltd. ("**Eternal Summer**") is a company incorporated in the British Virgin Islands and is wholly owned by Pure Lotus Investment Co., Ltd., which in turn is wholly owned by Summer Trust. Summer Trust is an irrevocable discretionary trust established under the laws of Hong Kong, with JLT Trust (Hong Kong) Limited acting as its trustee. The trust was established by XIA Zuoquan (夏佐全), an Independent Third Party with beneficiaries of the trust including his family members. Xia Zuoquan is one of the angel investors of BYD Company Limited, a limited company listed on the Stock Exchange (stock code: 1211) and currently serves as its director, he is experienced in technology-related sectors such as high-tech manufacturing and investment.

Shrewd Pioneer

Shrewd Pioneer Limited ("**Shrewd Pioneer**"), a business company incorporated with limited liability under the laws of the British Virgin Islands on August 10, 2020, which is wholly owned by FONG, Siu Wan (方紹雲), an Independent Third Party with extensive experience in cross-border investment and asset management. Shrewd Pioneer is an institutional investor dedicated to secondary-market investments, with an investment portfolio valued at nearly HK$300 million.

FONG, Siu Wan has extensive experience in equity investments, focusing on hard technology, artificial intelligence, semiconductors and robotics. In the secondary market, she focuses on high-growth companies, with past investments including Alibaba Group Holding Limited and Tencent Holdings Limited.

FONG, Siu Wan became acquainted with our Company through an introduction by one of the Underwriters.

Richfirm

Richfirm (Hong Kong) Development Limited (全順(香港)發展有限公司) ("**Richfirm**") is a limited liability company incorporated in Hong Kong on March 30, 2001, which is an investment holding company. Richfirm is wholly owned by Yuet Tak Trading Company Limited (粵德貿易有限公司), which in turn is held as to 50% by Foshan Shunde District Shunhui Information Consulting Co., Ltd. (佛山市順德區順匯信息諮詢有限公司) ("**Shunhui Information**") and 50% by Foshan Shunde District Changde Real Estate Development Co., Ltd. (佛山市順德區長德置業發展有限公司) ("**Changde Real Estate**"). Shunhui Information is ultimately owned by the State-owned Assets Supervision and Administration Commission of Shunde District, Foshan City (佛山市順德區國有資產監督管理局), and Changde Real Estate is ultimately owned as to 91.08% and 8.92% by the State-owned Assets Supervision and Administration Commission of Shunde District, Foshan City (佛山市順德區國有資產監督管理局) and the Department of Finance of Guangdong Province (廣東省財政廳), respectively.

VVC Technology

VVC Technology Fund Ltd. ("**VVC Technology**") is an exempted company incorporated with limited liability under the laws of the Cayman Islands in December 2025 and has been registered with the Cayman Islands Monetary Authority as a mutual fund. As of the Latest Practicable Date, VVC Technology was owned as to over 80% by Vertex China TM Ltd., a business company incorporated with limited liability under the laws of the British Virgin Islands. Vertex China TM Ltd. is backed by a sovereign fund from Singapore. Each of Vertex China TM Ltd. and VVC Technology is an Independent Third Party.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things and as applicable, the following closing conditions:

(a) the Underwriting Agreements being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

(b) the Offer Price having been agreed upon between our Company and Overall Coordinators (for themselves and on behalf of the Underwriters);

(c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(d) the CSRC having accepted the CSRC Filings (as defined in the respective Cornerstone Investment Agreement) and published the filing results in respect of the CSRC Filings on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

(e) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(f) the respective agreements, representations, warranties, undertakings and acknowledgements of relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that it will not, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

*You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants' Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards ("**IFRS**").*

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this Prospectus.

OVERVIEW

We are a collaborative robotics company engaged in the development, manufacturing and sale of collaborative robots ("**cobots**") and core motion components for industrial automation applications. Leveraging our capabilities spanning core motion components, cobot hardware and hardware-native HRC Embodied Intelligence Control Platform, our cobots deliver high stability, precision and motion control. Our product architecture further enables customers and system integrators to conduct secondary development and tailor functionality to specific use cases. Our cobots are adopted across a broad range of industry sectors, including 3C electronics, automotive, healthcare, metal processing and logistics. Within our product portfolio, the E Series cobots are primarily deployed in high-precision applications such as micro-component assembly, precision machining and medical testing, while the S Series cobots are designed for high-payload and high-throughput industrial scenarios, including palletizing, machine tending, material handling and logistics automation. During the Track Record Period, we primarily sold our robot hardware to customers in Chinese Mainland, Europe, the Americas and other regions in Asia.

During the Track Record Period, our revenue increased by 60.2% from RMB109.4 million in 2022 to RMB175.4 million in 2023, and further increased by 77.0% to RMB310.4 million in 2024, representing a CAGR of 68.4% from 2022 to 2024. Our revenue further increased by 36.2% from RMB206.2 million in the nine months ended September 30, 2024 to RMB280.9 million in the nine months ended September 30, 2025. Concurrently, we turned from a net loss of RMB83.4 million in 2022 to a net profit of RMB17.9 million in 2024, establishing ourselves as one of the few profitable established cobot companies in the world, according to Frost & Sullivan. We had a net profit of RMB9.0 million in the nine months ended September 30, 2024 and a net loss of RMB15.6 million in the nine months ended September 30, 2025.

BASIS OF PRESENTATION

For ordinary shares issued to Pre-IPO investors, pursuant to the supplemental agreements entered into between our Company and the Pre-IPO Investors in relation to the termination of certain of special rights granted by our Company, including redemption rights and liquidation preferences, which are void ab initio as described in Note 31 of the Accountants' Report in Appendix I to this Prospectus, having taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the supplementary agreements, our Directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period. For the details of financial impacts, see Note 31 of the Accountants' Report in Appendix I to this Prospectus.

The historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued by the International Accounting Standards Board (the "**IASB**").

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout each of the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025.

The historical financial information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business and results of operations are influenced by various general factors that affect the overall global cobot industry. These factors include market acceptance, adoption and demand of cobots, alongside governmental policies, initiatives and incentives which affect the global cobot industry, as well as global economic conditions and the regulatory environment. Unfavorable changes and any challenges in any of these general industry conditions could affect the demand for our products and services and hence our results of operations.

In addition to these general factors, we recognize that the following specific factors, although offering significant opportunities for our business, present challenges that we must effectively address to sustain our growth and improve our results of operations:

Investment in technology leadership and product development

Our financial performance is dependent on our ability to maintain our leadership in the cobot industry, which in turn depends on the investments we make in R&D. It is essential that we continually identify and respond to rapidly evolving market trends, develop and introduce innovative products and enhance existing product offerings and features. In particular, our R&D efforts integrate key technologies across the entire development cycle, from core component development to advanced control systems, enabling us to design and deliver highly competitive cobot and core motion component products. Our product offering also enables efficient development, modular customization and scalable deployment of cobots tailored to existing and new application requirements.

During the Track Record Period, our research and development expenses in aggregate were RMB239.3 million. In order to maintain our leadership position in technological innovation, we have established experienced talent pool with strong expertise and capabilities in relevant fields. See "Business — Research and Development." We will continue to provide competitive compensation and benefits packages to attract R&D talent.

Our ability to further commercialize through effective and efficient customer acquisition and sales strategies

We have made proactive efforts and achieved success in commercializing our products. We are dedicated to attracting new customers and deepening relationships with our existing customers. As of the Latest Practicable Date, our products had been sold to over 1,000 customers across over 50 countries and regions. We believe that our sales network and our customer acquisition and sales strategies have enabled us to increase sales volume, enlarge our customer base and enhance customer retention, thereby achieving robust revenue growth.

We have devoted resources to sales and marketing activities to continually enhance our market awareness and the level of commercialization. We strengthen ecosystem engagement by validating application scenarios jointly with our customers, making our products a core components of our customers' applications, thus forming reciprocal relationships that reinforce long-term customer stickiness and create a defensible moat of customer resources. This has strengthened our sales and marketing efficiency. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, our selling and distribution expenses, excluding share-based payment, accounted for 26.5%, 25.6%, 13.5%, 14.6% and 13.4% of our revenue in the same periods, respectively, showing a decreasing trend. See "— Period-to-period Comparison of Results of Operations." As we continue to scale up our business operations, we expect to continually invest in commercialization while enhancing the efficiency of our customer acquisition and sales initiatives.

Our ability to manage our costs and expenses and achieve operational efficiency

Our future profitability depends significantly on our ability to control costs and operating expenses, which are affected by a number of factors, such as costs of raw materials and production, as well as our operational efficiency. Our cost of sales as a percentage of our total revenue decreased from 86.3% in 2022 to 71.4% in 2023, and further to 65.7% in 2024, indicating our improved cost control capabilities and economies of scale. Our cost of sales as a percentage of our total revenue decreased from 66.4% in the nine months ended September 30, 2024 to 62.4% in the nine months ended September 30, 2025. As a result, our overall gross profit margin increased from 13.7% in 2022 to 28.6% in 2023, and further to 34.3% in 2024. Our overall gross profit margin further increased from 33.6% in the nine months ended September 30, 2024 to 37.6% in the nine months ended September 30, 2025. During the Track Record Period, our cost of sales primarily consisted of cost of raw materials, production and labor. Changes in any major component of our cost of sales and our overall cost structure could have an impact on our gross profit and gross profit margin. The procurement costs for raw materials 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 critical raw materials.

We are constantly improving our operating efficiency and optimizing the allocation of our resources. Our operating expenses decreased as a percentage of revenue from 109.5% in 2023 to 32.8% in 2024, indicating improved operational efficiency. Our operating expenses, excluding listing expenses, subsequently remained at the relatively low level of 47.7% in the nine months ended September 30, 2025. We believe that as we achieve higher level of economies of scale, our costs and operating expenses as a percentage of our total revenue will further decrease.

Our ability to effectively operate, penetrate and compete in the global market

Our footprint and penetration in overseas markets are critical to our success. Our international operations are subject to changes in the political and economic relations among countries and to any sanctions and export controls administered by government authorities and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased custom duties, tariffs, taxes, export restrictions and other trade protection measures. In addition, we face competition from new entrants who may offer lower prices or new technologies and products. Our ability to operate and compete effectively is crucial to our market share, revenue growth and profitability.

During the Track Record Period, our products are primarily sold in strategic markets in Chinese Mainland, Europe, Americas and other regions. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue generated from customers located in Chinese Mainland accounted for 73.8%, 73.5%, 49.8%, 51.3% and 62.2% of our total revenue, respectively. In addition, our sales in overseas markets contribute to our improving profitability. We expect that our reputation and sales in overseas markets will continue to have a significant impact on our business growth and prospects.

MATERIAL ACCOUNTING POLICY INFORMATION

We have identified certain accounting policies that are significant to the preparation of our financial statements. Material accounting policies that are significant for understanding our financial condition and results of operations are set forth in detail in Note 2.3 of the Accountants' Report in Appendix I lo this Prospectus. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Actual results could differ from those estimates. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and other factors that we believe to be relevant under the circumstances. Our management has discussed the development, selection and disclosure of these estimates with our Board of Directors. Since our financial reporting process inherently relies on the use of estimates and assumptions, actual results may differ from these estimates under different assumptions or conditions. When reviewing our financial statements, you should consider (i) our selection of key accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. We believe that the material accounting policy information and estimates such as basis of consolidation, revenue from contracts with customers, and leases as detailed in Note 2.3 of the Accountants' Report in Appendix I to this Prospectus are critical and involve the most important estimates and judgments we used in preparing our financial statements. See Note 2.3 to the Accountants' Report included in Appendix I to this Prospectus.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

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

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Revenue	109,442	175,380	310,441	206,224	280,880
Cost of sales	(94,436)	(125,150)	(204,008)	(136,988)	(175,328)
Gross profit	**15,006**	**50,230**	**106,433**	**69,236**	**105,552**
Other income and gains	13,450	105,596	15,372	12,904	10,090
Selling and distribution expenses	(31,944)	(60,450)	(41,941)	(30,146)	(39,315)
Administrative expenses	(21,740)	(45,997)	(12,543)	(9,662)	(43,727)
Research and development expenses	(55,432)	(85,656)	(47,283)	(33,894)	(50,978)
Reversal of/(provision for) impairment losses on financial assets	(1,828)	688	(72)	(94)	41
Other expenses	(1,735)	(3,443)	(3,043)	(709)	(564)
Finance costs	(644)	(515)	(214)	(169)	(287)
(Loss)/profit before tax	**(84,867)**	**(39,547)**	**16,709**	**7,466**	**(19,188)**
Income tax credits/(expenses)	1,501	41,442	1,160	1,571	3,600
(Loss)/profit for the year/period	**(83,366)**	**1,895**	**17,869**	**9,037**	**(15,588)**

For details on the accounting treatment of redemption rights and liquidation preference rights of pre-IPO investments, see Note 31 to the Accountants' Report set out in Appendix I to this prospectus.

NON-IFRS FINANCIAL MEASURE

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net (loss)/profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating the potential impact of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-IFRS financial measure we present may not be directly comparable to similar measures presented by other companies. The use of this non-IFRS measure should not be considered as a substitute for analysis of our results of operations or financial condition as reported under IFRS.

We define adjusted net (loss)/profit (non-IFRS measure) as (loss)/profit for the periods adjusted by adding back share-based payment expenses and listing expense. The following table reconciles our adjusted net (loss)/profit (non-IFRS measure) presented in accordance with IFRS, which is (loss)/profit for the period:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
(Loss)/profit for the year/period	(83,366)	1,895	17,869	9,037	(15,588)
Add:					
– Share-based payment[1]	12,831	69,573	–	–	24,652
– Listing expense[2]	–	–	–	–	15,389
Adjusted net (loss)/profit (*non-IFRS measure*)	**(70,535)**	**71,468**	**17,869**	**9,037**	**24,453**

Notes:

(1) Share-based payment expenses are non-cash in nature and represent the arrangement under which we receive services from employees as consideration for our equity instruments. Share-based payment expenses are not expected to result in future cash payments.

(2) Listing expenses represent professional fees, underwriting commission, and other fees incurred in connection with the Global Offering and the Listing.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated all our revenue from sale of products and cobot services.

Revenue by Nature and Product Series/Line

During the Track Record Period, our revenue was primarily derived from sale of products, including cobots and core motion components. See "Business — Our Product Portfolio."

The following table sets forth our revenue breakdown by nature of products and cobot services in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(unaudited)*			
Sales of Products	**108,943**	**99.5**	**174,076**	**99.3**	**308,202**	**99.3**	**204,341**	**99.1**	**280,033**	**99.7**
– Cobots	65,133	59.5	120,257	68.6	235,509	75.9	158,060	76.6	207,565	73.9
– E Series	53,272	48.7	100,716	57.4	185,023	59.6	124,810	60.5	142,985	50.9
• Elfin-Basic Series	51,793	47.3	93,655	53.4	169,586	54.6	115,523	56.0	114,868	40.9
• Elfin-Pro Series	–	–	–	–	3,369	1.1	1,519	0.7	21,427	7.6
• Elfin-Ex Series	1,479	1.4	7,060	4.0	12,067	3.9	7,768	3.8	6,691	2.4
– S Series	–	0.0	8,068	4.6	24,607	7.9	15,801	7.7	45,562	16.2
• S20	–	–	5,701	3.3	14,214	4.6	9,785	4.8	24,878	8.8
• S30	–	–	–	–	8,916	2.9	5,035	2.4	11,463	4.1
• Others	–	–	2,367	1.3	1,477	0.4	982	0.5	9,220	3.3
– Workstation	9,322	8.5	8,207	4.7	9,372	3.0	7,934	3.8	4,764	1.7
– Others[(1)]	2,538	2.3	3,266	1.9	16,507	5.3	9,514	4.6	14,254	5.1
– Core Motion Components	43,810	40.0	53,819	30.7	72,693	23.4	46,281	22.4	72,468	25.8
– Precision Motion Platforms	28,092	25.7	39,594	22.6	33,586	10.8	24,925	12.1	43,183	15.4
– Joint Modules	915	0.8	403	0.2	14,476	4.7	5,178	2.5	15,159	5.4
– Servo Drives	6,845	6.3	8,761	5.0	10,251	3.3	7,579	3.7	3,049	1.1
– Accessories	6,380	5.8	4,330	2.5	10,304	3.3	5,754	2.8	9,891	3.5
– Frameless Torque Motors and Other Motors	1,578	1.4	730	0.4	4,077	1.3	2,846	1.4	1,186	0.4
Cobot Services[(2)]	**499**	**0.5**	**1,304**	**0.7**	**2,239**	**0.7**	**1,883**	**0.9**	**847**	**0.3**
Total	**109,442**	**100.0**	**175,380**	**100.0**	**310,441**	**100.0**	**206,224**	**100.0**	**280,880**	**100.0**

Notes:

(1) Primarily include variant cobots from our E Series, which are fundamentally similar to the E Series cobots but incorporate customised features and/or functions according to customers' demand.

(2) Primarily represent the revenue derived from our provision of quality assurance and maintenance services in relation to our cobots sold to customers.

Our overall revenue growth across product categories throughout the Track Record Period was mainly attributable to our increased sales volume and expanding customer base. Our number of new customers in the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 was 239, 306, 390 and 299, respectively. Our number of customers grew from 298 in 2022 to 493 in 2023, and further to 525 in 2024, and amounted to 478 in the nine months ended September 30, 2025. See "— Period-to-period Comparison of Results of Operations" for details.

Revenue by Geographic Location

In terms of geographic coverage, we generated a majority of revenue from our sales network in Chinese Mainland in 2022, 2023 and the nine months ended September 30, 2025, complemented by the rapidly expanding presence of our overseas markets during the Track Record Period. As of September 30, 2025, we have established a growing presence in and outside Chinese Mainland. We believe that we do not have any material overseas tax exposure for overseas revenue. The following table sets forth a breakdown of our revenue by geographical location, in an absolute amount and as a percentage of our total revenue, for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(unaudited)*			
Chinese Mainland	80,729	73.8	128,936	73.5	154,542	49.8	105,792	51.3	174,846	62.2
Europe	18,191	16.6	31,190	17.8	124,328	40.1	78,982	38.3	83,167	29.7
– Germany	11,651	10.6	23,556	13.4	116,489	37.5	73,418	35.6	69,203	24.6
Americas	3,098	2.8	8,118	4.6	24,025	7.7	15,846	7.7	12,942	4.6
– United States	1,334	1.2	4,476	2.6	16,781	5.4	9,391	4.6	8,329	3.0
Others[(1)]	7,424	6.8	7,136	4.1	7,546	2.4	5,604	2.7	9,925	3.5
Total	**109,442**	**100.0**	**175,380**	**100.0**	**310,441**	**100.0**	**206,224**	**100.0**	**280,880**	**100.0**

Note:

(1) Primarily including other regions in Asia such as Malaysia and South Korea, as well as Australia.

There were no assessable profit arising in overseas tax jurisdictions during the Track Record Period, as all sales activities were conducted through subsidiaries in the PRC during the Track Record Period. As a result, we had no overseas tax exposure during the Track Record Period. See Note 10 to the Accountants' Report set out in Appendix I to this prospectus.

Revenue by Sales Channel

We have established a sales network through direct sales and distributors. During the Track Record Period, our direct sales customers mainly include (i) system integrators, which include standardized and non-standardized equipment manufacturers, and (ii) end users. During the Track Record Period, the majority of our revenue from direct sales was revenue from system integrators. Our distributors are primarily established regional industrial automation distributors with technical expertise and value-added services, as well as specialized automation solution providers focusing on industries such as automotive, electronics and machinery manufacturing. For details of revenue breakdown by sales channel, see "Business — Our Sales Network."

During the Track Record Period, the majority of our revenue was derived from direct sales to system integrators. The revenue from direct sales to system integrators increased from RMB76.3 million in 2022 to RMB138.5 million in 2023, and further increased to RMB267.0 million in 2024. The revenue from direct sales to system integrators increased from RMB174.4 million in the nine months ended September 30, 2024 to RMB254.9 million in the nine months ended September 30, 2025.

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of cost of sales of products, cost of cobot services and inventory write-down. Our cost of sales of products include the costs for raw material, production, labor and logistics.

The following table sets forth our cost of sales breakdown by nature of products and services in absolute amount and as a percentage for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(unaudited)*			
Sales of products	**80,148**	**84.9**	**123,914**	**99.0**	**198,765**	**97.4**	**130,489**	**95.3**	**171,367**	**97.7**
– Raw material	64,655	68.5	96,883	77.5	156,229	76.5	102,151	74.6	137,490	78.4
– Production(1)	8,497	9.0	16,817	13.4	24,001	11.8	16,108	11.8	23,795	13.6
– Labor	4,466	4.7	7,923	6.3	10,595	5.2	6,549	4.8	8,517	4.9
– Logistics	2,530	2.7	2,291	1.8	7,940	3.9	5,681	4.1	1,565	0.9
Cobot Services(2)	**171**	**0.2**	**588**	**0.5**	**992**	**0.5**	**830**	**0.6**	**477**	**0.3**
Subtotal	**80,319**	**85.1**	**124,502**	**99.5**	**199,757**	**97.9**	**131,319**	**95.9**	**171,845**	**98.0**
Inventory write-down(3)	14,117	14.9	648	0.5	4,251	2.1	5,669	4.1	3,483	2.0
Total	**94,436**	**100.0**	**125,150**	**100.0**	**204,008**	**100.0**	**136,988**	**100.0**	**175,328**	**100.0**

Notes:

(1) Primarily represent the indirect production costs incurred during the production process that cannot be directly attributed to specific products, mainly including production management expenses, leasing expenses and utilities expenses.

(2) Primarily represent the cost arising from our provision of quality assurance and maintenance services in relation to our cobots sold to customers.

(3) Primarily represents the provision made on inventories. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Inventories."

The following table sets forth our cost of sales breakdown by nature of products and services in absolute amount and as a percentage for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(unaudited)*			
Sales of products:	**80,148**	**84.9**	**123,914**	**99.0**	**198,765**	**97.4**	**130,488**	**95.3**	**171,367**	**97.7**
– Cobots	48,814	51.7	89,222	71.3	152,674	74.8	101,828	74.3	128,278	73.2
– Core motion components	31,333	33.2	34,692	27.7	46,091	22.6	28,660	20.9	43,089	24.6
Cobot Services(1)	**171**	**0.2**	**588**	**0.5**	**992**	**0.5**	**830**	**0.6**	**477**	**0.3**
Subtotal	**80,319**	**85.1**	**124,502**	**99.5**	**199,757**	**97.9**	**131,319**	**95.9**	**171,845**	**98.0**
Inventory write-down(2)	14,117	14.9	648	0.5	4,251	2.1	5,669	4.1	3,483	2.0
Total	**94,436**	**100.0**	**125,150**	**100.0**	**204,008**	**100.0**	**136,988**	**100.0**	**175,328**	**100.0**

Notes:

(1) Primarily represent the cost arising from our provision of quality assurance and maintenance services in relation to our cobots sold to customers.

(2) Primarily represents the provision made on inventories. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Inventories."

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross margin represents gross profit divided by our revenue, expressed as a percentage. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, we had gross profit of RMB15.0 million, RMB50.2 million, RMB106.4 million, RMB69.2 million and RMB105.6 million, respectively. During the same periods, we had gross margin of 13.7%, 28.6%, 34.3%, 33.6% and 37.6% respectively.

Gross Profit and Gross Profit Margin by Nature and Products Series/Line

The following table sets forth our gross profit and gross profit margin breakdown by nature for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Sales of Products	**28,795**	**26.4**	**50,161**	**28.8**	**109,436**	**35.5**	**73,853**	**36.1**	**108,666**	**38.8**
– Cobots	16,319	25.1	31,035	25.8	82,836	35.2	56,232	35.6	79,287	38.2
– E Series	13,764	25.8	25,653	25.5	63,422	34.3	44,159	35.4	54,219	37.9
– S Series	–	–	2,773	34.4	9,943	40.4	6,538	41.4	16,791	36.9
– Workstation	1,998	21.4	1,736	21.2	2,038	21.7	1,822	23.0	1,814	38.1
– Others[1]	556	21.9	873	26.7	7,432	45.0	3,713	39.0	6,463	45.3
– Core Motion Components	12,476	37.2	19,127	35.5	26,600	36.6	17,621	38.1	29,379	40.5
– Precision Motion Platforms	10,439	37.2	16,223	41.0	13,409	39.9	10,245	41.1	19,583	45.3
– Joint Modules	234	25.6	225	55.8	5,924	40.9	2,039	39.4	6,938	45.8
– Servo Drives	207	3.0	1,317	15.0	2,406	23.5	1,914	25.3	411	13.5
– Accessories	1,149	18.0	1,089	25.1	2,662	25.8	1,857	32.3	2,267	22.9
– Frameless Torque Motors and Other Motors	447	28.3	273	37.3	2,199	53.9	1,566	55.0	180	15.2
Cobot Services[2]	**328**	**65.7**	**717**	**55.0**	**1,247**	**55.7**	**1,053**	**55.9**	**370**	**43.6**
Subtotal	**29,123**	**26.6**	**50,878**	**29.0**	**110,683**	**35.7**	**74,905**	**36.3**	**109,035**	**38.8**
Less: Inventory write-down[3]	(14,117)	(12.9)	(648)	(0.4)	(4,251)	(1.4)	(5,669)	(2.7)	(3,483)	(1.2)
Total	**15,006**	**13.7**	**50,230**	**28.6**	**106,433**	**34.3**	**69,236**	**33.6**	**105,552**	**37.6**

Notes:

(1) Primarily include variant cobots from our E Series, which are fundamentally similar to the E Series cobots but incorporate customised features and/or functions according to customers' demand.

(2) Primarily represent the revenue derived from our provision of quality assurance and maintenance services in relation to our cobots sold to customers.

(3) Primarily represents the provision made on inventories. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Inventories."

The gross profit margin of our products generally increased during the Track Record Period. See "— Period-to-period Comparison of Results of Operations" for details.

Gross Profit and Gross Profit Margin by Geographic Location

The following table sets forth our gross profit and gross profit margin breakdown by geographic area for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Chinese Mainland	19,017	23.6	33,040	25.6	47,263	30.6	33,206	31.4	60,131	34.4
Europe	5,681	31.2	10,795	34.6	46,542	37.4	30,237	38.3	36,044	43.3
– Germany	2,486	21.3	6,688	28.4	41,823	35.9	26,950	36.7	27,418	39.6
Americas	1,467	47.4	4,015	49.5	13,270	55.2	8,779	55.4	7,656	59.2
– United States	594	44.5	1,831	40.9	8,646	51.5	4,572	48.7	4,739	56.9
Others[1]	2,959	39.9	3,029	42.4	3,608	47.8	2,683	47.9	5,204	52.4
Subtotal	**29,123**	**26.6**	**50,878**	**29.0**	**110,683**	**35.7**	**74,905**	**36.3**	**109,035**	**38.8**
Less: Inventory write-down[2]	(14,117)	(12.9)	(648)	(0.4)	(4,251)	(1.4)	(5,669)	(2.7)	(3,483)	(1.2)
Total	**15,006**	**13.7**	**50,230**	**28.6**	**106,433**	**34.3**	**69,236**	**33.6**	**105,552**	**37.6**

Notes:

(1) Primarily including other regions in Asia such as Malaysia and South Korea, as well as Australia.

(2) Primarily represents the provision made on inventories. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Inventories."

Our gross profit margin in Chinese Mainland was generally lower than those in the overseas markets in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025. This variance primarily reflects differences in regional pricing power and customer purchasing capacity, which we evaluate systematically when setting prices in each market. As confirmed by Frost & Sullivan, in overseas markets, particularly in developed economies such as Europe, the United States and Japan, customers typically can absorb premium pricing due to stronger currency valuation and higher per-unit consumption value in these markets. We maximize profitability in high-value international markets while sustaining strong volume expansion and customer relationships in China.

Gross Profit and Gross Profit Margin by Sales Channel

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Direct Sales										
– System integrators										
– Standardized equipment manufacturers	15,883	25.9	31,102	27.1	79,420	34.5	51,715	34.7	82,608	38.8
– Non-standardized equipment manufacturers	4,522	30.1	6,960	29.4	13,537	36.8	9,645	37.9	15,647	37.2
– Subtotal of system integrators	20,405	26.7	38,062	27.5	92,956	34.8	61,360	35.2	98,255	38.5
– End users	6,367	24.8	7,803	35.1	10,571	43.6	8,843	47.3	5,106	46.3
Subtotal of direct sales	**26,773**	**26.3**	**45,865**	**28.5**	**103,528**	**35.6**	**70,203**	**36.4**	**103,361**	**38.9**
Distributors	**2,350**	**31.4**	**5,013**	**34.2**	**7,156**	**37.2**	**4,702**	**35.9**	**5,674**	**38.0**
Subtotal	**29,123**	**26.6**	**50,878**	**29.0**	**110,684**	**35.7**	**74,905**	**36.3**	**109,035**	**38.8**
Less: Inventory write-down[1]	14,117	(12.9)	648	(0.4)	4,251	(1.4)	(5,669)	(2.7)	(3,483)	(1.2)
Total	**15,006**	**13.7**	**50,230**	**28.6**	**106,433**	**34.3**	**69,236**	**33.6**	**105,552**	**37.6**

Note:

(1) Primarily represents the provision made on inventories. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Inventories."

The gross profit margin of both direct sales and sales to distributors generally increased throughout the Track Record Period. The gross profit margin on sales to distributors was generally higher than that of direct sales. This was primarily because a significant portion of the products sold to distributors was precision motion platforms, which typically have a higher gross profit margin due to their greater technological complexity.

Other Income and Gains

During the Track Record Period, our other income and gains primarily consisted of (i) interest income, primarily representing interests from bank deposits and loans arising from daily operations made to the then-associate of our Company; (ii) investment income from wealth management products; (iii) investment income from time deposits; (iv) government grants, primarily representing subsidies we received in relation to our R&D projects by government authorities conditioned upon our successful passing of the relevant project acceptance test; (v) gains from disposal of subsidiaries, primarily representing the gains from the disposal of Shenzhen Niuer Robot and its subsidiary, which primarily acted as an integrator focusing on semiconductor industry. See "History, Development and Corporate Structure — Material Acquisitions, Disposals and Mergers;" (vi) gains from disposal of a joint venture, representing the gains from the disposal of Neura Robotics, which primarily engaged in the R&D of advanced robotics technologies. See "History, Development and Corporate Structure — Material Acquisitions, Disposals and Mergers;" (vii) fair value gains on financial assets at fair value through profit or loss; and (viii) foreign exchange gains, net, primarily arising from our sales to overseas customers denoted in foreign currencies and bank deposits in foreign currencies. Our other income and gains amounted to

RMB13.5 million, RMB105.6 million, RMB15.4 million, RMB12.9 million and RMB10.1 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our other income and gains in absolute amount and as a percentage of our total other income and gains for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(unaudited)*			
Interest income	1,250	9.3	1,508	1.4	1,987	12.9	1,652	12.8	1,165	11.5
Investment income from wealth management products and structured deposits	3,827	28.5	1,136	1.1	1,932	12.6	722	5.6	344	3.4
Investment income from certificate of deposit	471	3.5	1,394	1.3	3,371	21.9	2,210	17.1	2,652	26.3
Government grants	1,162	8.6	3,195	3.0	7,669	49.9	7,425	57.5	309	3.1
Others	23	0.2	244	0.2	366	2.4	342	2.7	260	2.5
Gains from disposal of subsidiaries	–	–	12,835	12.2	–	–	–	–	–	–
Gain from disposal of a joint venture	–	–	78,579	74.5	–	–	–	–	–	–
Fair value gains on financial assets at fair value through profit or loss	2,101	15.6	471	0.4	47	0.3	553	4.3	480	4.8
Gain on early termination of a lease	–	–	362	0.3	–	–	0	0.0	30	0.3
Foreign exchange gains, net	4,616	34.3	5,872	5.6	–	–	–	–	4,850	48.1
	13,450	**100.0**	**105,596**	**100.0**	**15,372**	**100.0**	**12,904**	**100.0**	**10,090**	**100.0**

Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses primarily consisted of (i) employee compensation; (ii) share-based payment; (iii) business promotion expenses; and (iv) travel and business development expenses. Our selling and distribution expenses amounted to RMB31.9 million, RMB60.5 million, RMB41.9 million, RMB30.1 million and RMB39.3 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, accounting for 29.2%, 34.5%, 13.5%, 14.6% and 14.0% of our revenue in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our selling and distribution expenses in absolute amount and as a percentage of our total selling and distribution expenses for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(unaudited)*			
Employee compensation	17,728	55.5	26,590	44.0	26,474	63.1	18,926	62.8	24,805	63.1
Share-based payment	2,896	9.1	15,586	25.8	–	–	–	–	1,695	4.3

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(unaudited)*			
Business promotion expenses	6,274	19.6	8,249	13.6	4,685	11.2	3,832	12.7	4,922	12.5
Travel and business development expenses	2,769	8.7	5,575	9.2	5,870	14.0	3,830	12.7	4,491	11.4
Others[1]	2,277	7.1	4,450	7.4	4,912	11.7	3,558	11.8	3,402	8.7
Total	**31,944**	**100.0**	**60,450**	**100.0**	**41,941**	**100.0**	**30,146**	**100.0**	**39,315**	**100.0**

Note:

(1) Others primarily include transportation expenses, office expenses and warranty expenses.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) employee compensation; (ii) share-based payment; (iii) office expenses; (iv) professional service expenses, primarily consisted of fees paid for consultation on business administration activities, including the process of disposing of our subsidiaries and associates; (v) depreciation and amortization; and (vi) listing expenses. Our administrative expenses amounted to RMB21.7 million, RMB46.0 million, RMB12.5 million, RMB9.7 million and RMB43.7 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, accounting for 19.9%, 26.2%, 4.0%, 4.7% and 15.6% of our revenue in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our administrative expenses in absolute amount and as a percentage of our total administrative expenses for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(unaudited)*			
Employee compensation	12,502	57.6	11,611	25.2	9,072	72.3	6,835	70.8	8,453	19.3
Share-based payment	5,225	24.0	27,193	59.2	–	–	–	–	14,260	32.6
Office expenses	1,195	5.5	1,776	3.9	412	3.3	272	2.8	1,402	3.2
Professional service expenses	980	4.5	3,328	7.2	1,084	8.6	906	9.4	508	1.2
Depreciation and amortization	941	4.3	883	1.9	734	5.9	536	5.5	1,590	3.6
Listing expenses	–	–	–	–	–	–	–	–	15,389	35.2
Others[1]	897	4.1	1,206	2.6	1,241	9.9	1,113	11.5	2,125	4.9
Total	**21,740**	**100.0**	**45,997**	**100.0**	**12,543**	**100.0**	**9,662**	**100.0**	**43,727**	**100.0**

Note:

(1) Others primarily include travel expenses.

Research and Development Expenses

During the Track record period, our research and development expenses primarily consisted of (i) employee compensation; (ii) material expenses; (iii) share-based payment; and (iv) depreciation and amortization. Our research and development expenses amounted to RMB55.4 million, RMB85.7 million, RMB47.3 million, RMB33.9 million and RMB51.0 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, accounting for 50.6%, 48.8%, 15.2%, 16.4% and 18.1% of our revenue in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our research and development expenses, excluding the relevant share-based payment, amounted to RMB51.3 million, RMB61.3 million, RMB47.3 million, RMB33.9 million and RMB43.9 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, accounting for 46.8%, 34.9%, 15.2%, 16.4% and 15.6% of our revenue in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. During the Track Record Period, all R&D expenses of the Group during the Track Record Period were related to our cobot products and core motion component products. During the Track Record Period, we did not capitalize R&D expenses nor allocate them by products. The following table sets forth a breakdown of our research and development expenses in absolute amount and as a percentage of our total research and development expenses for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(unaudited)*			
Employee compensation	38,153	68.9	43,833	51.1	38,573	81.6	28,031	82.7	34,083	66.9
Material expenses	5,568	10.0	10,532	12.3	2,950	6.2	1,735	5.1	4,517	8.9
Share-based payment	4,164	7.5	24,395	28.5	–	–	–	–	7,051	13.8
Depreciation and amortization	4,073	7.3	3,844	4.5	3,443	7.3	2,630	7.8	2,502	4.9
Others[(1)]	3,474	6.3	3,052	3.6	2,317	4.9	1,498	4.4	2,825	5.5
Total	**55,432**	**100.0**	**85,656**	**100.0**	**47,283**	**100.0**	**33,894**	**100.0**	**50,978**	**100.0**

Note:

(1) Others primarily include rental and property expenses, travel expenses and certification and testing fees.

(Provision for)/Reversal of Impairment Losses on Financial Assets

During the Track Record Period, we recorded provision for impairment losses on financial assets of RMB1.8 million in 2022, RMB0.1 million in 2024 and RMB0.1 million in the nine months ended September 30, 2024 and recorded reversal of impairments losses on financial assets of RMB0.7 million in 2023 and RMB41.0 thousand in the nine months ended September 30, 2025, respectively.

Other Expenses

During the Track Record Period, our other expenses primarily related to the fines and contract liquidated damages, losses arising from disposal of fixed assets and losses on foreign exchange. Our other expenses amounted to RMB1.7 million, RMB3.4 million, RMB3.0 million, RMB0.7 million and RMB0.6 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Finance Costs

During the Track Record Period, our finance costs primarily included interests on bank loans and interest on lease liabilities. Our finance costs amounted to RMB0.6 million, RMB0.5 million, RMB0.2 million, RMB0.2 million and RMB0.3 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Income Tax Credit/(Expense)

We had income tax credit amounted to RMB1.5 million, RMB41.4 million, RMB1.2 million, RMB1.6 million and RMB3.6 million in 2022, 2023, 2024 and nine months ended September 30, 2024 and 2025, respectively. We are subject to income tax on an entity basis on profits arising in or derived from tax jurisdictions in which members of our group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax ("**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of our PRC subsidiaries is 25%, while our Company and certain of our PRC subsidiaries are qualified as high and new technology enterprises and were entitled to a preferential EIT rate of 15%. See Note 10 of the Accountants' Report in Appendix I to this Prospectus.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute with any tax authority.

(Loss)/profit for the Period

As a result of the foregoing, during the Track Record Period, our loss for the period amounted to RMB83.4 million in 2022 and RMB15.6 million in the nine months ended September 30, 2025, whereas we recorded profit of RMB1.9 million, RMB17.9 million and RMB9.0 million in 2023, 2024 and the nine months ended September 30, 2024, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Nine months ended September 30, 2025 Compared with Nine months ended September 30, 2024

Revenue

Our revenue increased by 36.2% from RMB206.2 million in the nine months ended September 30, 2024 to RMB280.9 million in the nine months ended September 30, 2025, primarily due to an increase in revenue generated from sale of products.

Our revenue from cobots increased by 31.3% from RMB158.1 million in the nine months ended September 30, 2024 to RMB207.6 million in the nine months ended September 30, 2025, primarily due to (i) a significant increase in the sales volume of our S Series cobots, in particular, our S20 cobots, which was launched in 2023 and had been increasingly well-accepted by the market; and (ii) a significant increase in the sales volume of other cobots, primarily driven by the market recognition of our high-quality, reliable E Series cobots.

Our revenue from our core motion components increased by 56.6% from RMB46.3 million in the nine months ended September 30, 2024 to RMB72.5 million in the nine months ended September 30, 2025, primarily due to (i) an increased sales volume of high precision platform, mainly due to an increased demand of customers in China; and (ii) an increased sales volume of joint module products, particularly to a major customer in Europe, as a result of their increased demand.

Cost of Sales

Our cost of sales increased by 28.0% from RMB137.0 million in the nine months ended September 30, 2024 to RMB175.3 million in the nine months ended September 30, 2025, which is in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 52.5% from RMB69.2 million in the nine months ended September 30, 2024 to RMB105.6 million in the nine months ended September 30, 2025. Our gross profit margin increased from 33.6% in the nine months ended September 30, 2024 to 37.6% in the nine months ended September 30, 2025.

The gross profit from our cobots (before write-down of inventories) increased by 41.1% from RMB56.2 million in the nine months ended September 30, 2024 to RMB79.3 million in the nine months ended September 30, 2025. The gross profit margin of our cobots (before write-down of inventories) increased from 35.6% in the nine months ended September 30, 2024 to 38.2% in the nine months ended September 30, 2025. In particular, the gross profit margin of our E Series cobots (before write-down of inventories) increased from 35.4% in the nine months ended September 30, 2024 to 37.9% in the nine months ended September 30, 2025 primarily as the cost of raw materials and production as a proportion of our revenue decreased, as a result of our further improved economies of scale and production efficiency. The gross profit margin of our S Series cobots (before write-down of inventories) decreased from 41.4% to 36.9%, primarily due to increased sales of S Series cobots to a domestic customer for their deployment in consumer scenarios, where performance and payload requirements are relatively low. Compared to higher-payload S Series cobots, the products we provided to this customer required less torque, enabling the use of lower-cost motors, reducers and other components. The relatively lower technical barrier of these products resulted in limited premium pricing, and therefore the lower the gross profit margin of our S Series cobots (before write-down of inventories). We aim to further enhance the gross margin of our S Series cobots by selling more to overseas customers and capitalizing on the increasing market recognition of our S Series cobots.

The gross profit from our core motion components (before write-down of inventories) increased by 67.0% from RMB17.6 million in the nine months ended September 30, 2024 to RMB29.4 million in the nine months ended September 30, 2025. The gross profit from our core motion components (before write-down of inventories) increased from 38.1% in the nine months ended September 30, 2024 to 40.5% in the nine months ended September 30, 2025, primarily due to an increase in the revenue from precision motion platforms and joint module products which achieved higher gross profit margin due to greater economies of scales.

Other Income and gains

Our other income and gains decreased by 21.8% from RMB12.9 million in the nine months ended September 30, 2024 to RMB10.1 million in the nine months ended September 30, 2025, primarily due to a decrease in government grants we received in the nine months ended September 30, 2025 compared to the same period in 2024, primarily as a result of our strategic decision to withdraw from a government-subsidized R&D project, the amount of which were deducted from the total amount of government grants received in the nine months ended September 30, 2025. Following the relocation of our headquarters from Shenzhen to Foshan, Guangdong Province, we decided not to participate in the R&D project subsidized by the relevant Shenzhen authorities. The requirement for reporting to and supervision by these authorities was no longer commercially reasonable in light of our new location. Such a decrease was partially offset by an increase in foreign exchange rates, as the EUR/RMB exchange rate were more favorable in the nine months ended September 30, 2025 than in the same period in 2024.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 30.4% from RMB30.1 million in the nine months ended September 30, 2024 to RMB39.3 million in the nine months ended September 30, 2025, primarily due to an increase in employee compensation in line with our revenue growth.

Administrative Expenses

Our administrative expenses increased by 352.6% from RMB9.7 million in the nine months ended September 30, 2024 to RMB43.7 million in the nine months ended September 30, 2025, primarily due to (i) an increase in share-based payment; and (ii) an increase in listing expenses incurred in connection with the Global Offering and the Listing.

Research and Development Expenses

Our research and development expenses increased by 50.4% from RMB33.9 million in the nine months ended September 30, 2024 to RMB51.0 million in the nine months ended September 30, 2025, primarily due to (i) an increase in employee compensation, and (ii) an increase in material expenses, in line with our revenue growth. Such an increase was also because we recorded share-based payment in the nine months ended September 30, 2025.

Income Tax Credit

We had income tax credit of RMB1.6 million and RMB3.6 million in the nine months ended September 30, 2024 and 2025. See Note 10 of the Accountants' Report in Appendix I to this Prospectus.

Profit/Loss for the Period

As a result of the foregoing, we had a profit for the period of RMB9.0 million in the nine months ended September 30, 2024 and a loss for the period of RMB15.6 million in the nine months ended September 30, 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 77.0% from RMB175.4 million in 2023 to RMB310.4 million in 2024, primarily attributable to an increase in revenue generated from sale of products.

Our revenue from cobots increased by 95.8% from RMB120.3 million in 2023 to RMB235.5 million in 2024, primarily as a result of (i) a significant increase in the sales volume of our E Series cobots in the overseas markets, especially to major overseas customers in Europe and the Americas; (ii) the success of new cobots under the S Series, particularly the S30 cobots launched in 2024, which gained traction shortly after its introduction. The revenue of S30 cobots in 2024 contributed to more than one third of the total revenue of S Series cobots in the same year; and (iii) an increase in the sales volume of our S20 cobots, which was launched in 2023 and had been well-accepted by the market. These increases were largely driven by the further enhanced market recognition of our high-quality, reliable technologies and products as well as further expanded reach in application scenarios. It was also in line with the continuously increasing overall global demand for cobots.

Our revenue from our core motion components increased by 35.1% from RMB53.8 million in 2023 to RMB72.7 million in 2024, primarily as a result of an increased sales volume of joint module products, particularly to a major customer in Europe, in line with the increased sales volume of our cobots to this customer. The increase in revenue from our core motion components were also generally driven by the enhanced market recognition of our high-quality, reliable technologies and products following our consistent investment in product development and customer acquisition.

Cost of Sales

Our cost of sales increased by 63.0% from RMB125.2 million in 2023 to RMB204.0 million in 2024, which is in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased significantly from RMB50.2 million in 2023 to RMB106.4 million in 2024. Our gross profit margin increased from 28.6% in 2023 to 34.3% in 2024.

The gross profit from our cobots (before write-down of inventories) increased significantly from RMB31.0 million in 2023 to RMB82.8 million in 2024. The gross profit margin of our cobots (before write-down of inventories) increased from 25.8% in 2023 to 35.2% in 2024, primarily because, as we continued to expand our business, (i) we increased the sales to overseas customers, including Neura Robotics, among others, which have relatively higher gross margin due to local market conditions; (ii) we increased the offering of new and premium versions of products with higher gross margin; (iii) our cost of production as a proportion of our revenue decreased, as a result of our further improved production efficiency and economies of scale; and (iv) our cost of raw materials as a proportion of our revenue decreased, as a result of optimized process of raw material selection and procurement.

Our gross profit from our core motion components (before write-down of inventories) increased by 53.3% from RMB19.1 million in 2023 to RMB26.6 million in 2024 in line with revenue growth of relevant products. The gross profit margin of our core motion components (before write-down of inventories) remained relatively stable at 35.5% in 2023 and 36.6% in 2024.

Other Income and Gains

Our other income and gains decreased by 85.4% from RMB105.6 million in 2023 to RMB15.4 million in 2024, primarily due to (i) one-off gains from disposal of a joint venture in 2023, primarily as we disposed our equity interest in Neura Robotics in 2023. Considering that both us and Neura Robotics were at the early stage of development and that Neura Robotics focused on the R&D of high-tech products that required substantial capital resource, we determined to prioritize the use of capital resources in our core product development. See "History, Development and Corporate Structure — Material Acquisitions, Disposals and Mergers;" (ii) one-off gains from disposal of subsidiaries, primarily as we disposed our equity interest in Shenzhen Niuer Robot in 2023 primarily because, as a cobot company, we adopt a scenario-driven go-to-market strategy, whereas the disposed subsidiary primarily focused on the R&D of products used in the semiconductor industry. See "History, Development and Corporate Structure — Material Acquisitions, Disposals and Mergers;" and (iii) the foreign exchange gains, net, realized in 2023, whereas no net foreign exchange gains were realized in 2024, primarily because of the fluctuations in foreign exchange rates. Specifically, some of our sales to overseas customers were denominated in EUR and USD. The EUR/RMB and USD/RMB exchange rates were more favorable in 2023 compared to 2024, resulting in net foreign exchange gains in 2023. Such a decrease was partially offset by an increase in government grants we received in 2024, primarily as we passed two R&D project acceptance tests in 2024, which led to the recognition of the corresponding government grants as other income.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 30.6% from RMB60.5 million in 2023 to RMB41.9 million in 2024, primarily because (i) we recorded share-based payment in 2023; and (ii) we had a decreased level of business promotion expenses, as we optimized the efficiency of our selling and marketing efforts (a) by focusing on key customers in certain downstream application scenarios, and (b) as a result of enhanced market recognition of our technology and products.

Administrative Expenses

Our administrative expenses decreased by 72.7% from RMB46.0 million in 2023 to RMB12.5 million in 2024, primarily due to a decrease in share-based payment.

Research and Development Expenses

Our research and development expenses decreased by 44.8% from RMB85.7 million in 2023 to RMB47.3 million in 2024, primarily due to (i) a decrease in employee compensation because we strategically minimized the R&D of integrated solutions directly facing end users in certain commercial scenarios to focus on our core product offerings, echoing with our scenario-driven go-to-market business strategy as a cobot company; and (ii) a decrease in material expenses because of the same reason discussed above.

Income Tax Credit

Our income tax credit decreased significantly from RMB41.4 million in 2023 to RMB1.2 million in 2024, primarily because we recorded loss for the year in 2023 and achieved profit in 2024.

Profit for the Year

As a result of the foregoing, our profit for the year increased significantly from RMB1.9 million in 2023 to RMB17.9 million in 2024.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Revenue

Our revenue increased by 60.2% from RMB109.4 million in 2022 to RMB175.4 million in 2023, primarily attributable to an increase in revenue generated from sale of products.

Our revenue from our cobots increased by 84.6% from RMB65.1 million in 2022 to RMB120.3 million in 2023, primarily as a result of (i) an increase in the sales volume of our E Series cobots in the overseas markets, especially to a major overseas customer in Europe; (ii) the success of new cobots in the S Series, particularly the S20 cobot launched in 2023, which gained traction shortly after its introduction; and (iii) an increase in sales volume of certain cobots in the E Series. These increases were largely driven by the enhanced recognition of our technologies and products as well as increased overall market demand for cobots.

Our revenue from our core motion components increased by 22.8% from RMB43.8 million in 2022 to RMB53.8 million in 2023, primarily as a result of the increased sales volume of our precision motion platforms as we transitioned from the validation stage to mass production for key customers of this product.

Cost of Sales

Our cost of sales increased by 32.5% from RMB94.4 million in 2022 to RMB125.2 million in 2023, which is in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased significantly from RMB15.0 million in 2022 to RMB50.2 million in 2023. Our gross profit margin increased from 13.7% in 2022 to 28.6% in 2023.

The gross profit from our cobots (before write-down of inventories) increased by 90.2% from RMB16.3 million in 2022 to RMB31.0 million in 2023 in line with the revenue growth of relevant products. The gross profit margin of our cobots (before write-down of inventories) remained relatively stable at 25.1% in 2022 and 25.8% in 2023.

Our gross profit from our core motion components (before write-down of inventories) increased by 53.3% from RMB12.5 million in 2022 to RMB19.1 million in 2023. The gross profit margin of our core motion components (before write-down of inventories) increased from 28.5% in 2022 to 35.5% in 2023 primarily as a result of (i) an increase in the sales volume as well as gross profit margin of our servo drives, primarily due to the relatively higher cost of raw materials in 2022; and (ii) an increase in the gross profit of our precision motion platforms, primarily due to a decreased cost of production as a proportion of revenue, as a result of our further improved production efficiency and economies of scale.

Other Income and Gains

Our other income and gains increased significantly from RMB13.5 million in 2022 to RMB105.6 million in 2023, primarily due to (i) one-off gains from disposal of subsidiaries in 2023, primarily because we disposed our equity interest in Shenzhen Niuer Robotics in 2023; (ii) one-off gains from disposal of a joint venture in 2023, primarily because we disposed our equity interest in Neura Robotics in 2023. See "— Year Ended December 31, 2024 Compared with Year Ended December 31, 2023 — Other Income and Gains;" and (iii) an increase in government grants, primarily as a result of the government subsidies we received in 2023 to support and encourage our R&D projects.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 89.2% from RMB31.9 million in 2022 to RMB60.5 million in 2023, primarily because (i) we recorded a higher level of share-based payment in 2023, and (ii) our employee compensation increased as the level of sales and marketing activities increased in line with our revenue growth.

Administrative Expenses

Our administrative expenses increased significantly from RMB21.7 million in 2022 to RMB46.0 million in 2023, primarily due to the higher level of share-based payment in 2023.

Research and Development Expenses

Our research and development expenses increased by 54.5% from RMB55.4 million in 2022 to RMB85.7 million in 2023, primarily due to (i) an increase in share-based payment from RMB4.2 million in 2022 to RMB24.4 million in 2023, and (ii) an increase in the compensation for R&D related employees in line with our business growth. In particular, we increased our investment in the R&D of cobots designed for heavy payload applications, the control systems and precision motion platforms to further upgrade our product portfolio and improve our competitiveness.

Income Tax Credit

Our income tax credit increased significantly from RMB1.5 million in 2022 to RMB41.4 million in 2023, primarily because of the RMB40.6 million of recognised for tax losses in previous periods. See Note 10 of the Accountants' Report in Appendix I to this Prospectus.

(Loss)/profit for the Year

As a result of the foregoing, our loss for the year was RMB83.4 million in 2022. We made a profit of RMB1.9 million in 2023.

DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our summary consolidated balance sheet as of the dates indicated, which has been extracted from our audited consolidated financial statements included in Appendix I to this Prospectus:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Total current assets	460,362	517,121	485,691	485,009
Total non-current assets	31,057	67,094	130,872	195,222
Total assets	**491,419**	**584,215**	**616,563**	**680,231**
Total current liabilities	79,410	100,571	117,552	138,884
Total non-current liabilities	7,016	5,579	2,752	13,254
Total liabilities	**86,426**	**106,150**	**120,304**	**152,138**
Total equity	**404,993**	**478,065**	**496,259**	**528,093**

For details on the accounting treatment of redemption rights and liquidation preference rights of pre-IPO investments, see Note 31 to the Accountants' Report set out in Appendix I to this prospectus.

Non-Current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	14,419	12,605	14,332	16,882
Right-of-use assets	8,524	6,287	4,206	16,179
Other intangible assets	2,575	1,866	1,452	2,252
Deferred tax assets	4,464	45,906	47,066	50,666
Prepayments, deposits and other receivables – non-current	1,075	430	1,964	2,123
Time deposits with original maturity of over three months	–	–	61,852	107,120
Total non-current assets	**31,057**	**67,094**	**130,872**	**195,222**
Non-current liabilities				
Deferred income	421	168	427	199
Lease liabilities	6,595	5,411	2,325	13,055
Total non-current liabilities	**7,016**	**5,579**	**2,752**	**13,254**

Property, Plant and Equipment

Our property, plant and equipment consisted of (i) machinery and equipment, (ii) furniture and fixtures, (iii) motor vehicles, (iv) electronic equipment and (v) leasehold improvements. Our property, plant and equipment decreased by 12.6% from RMB14.4 million as of December 31, 2022 to RMB12.6 million as of December 31, 2023, primarily due to a decrease in leasehold improvement attributable to depreciation, partially offset by an increase in machinery and equipment, primarily attributable to additions of production equipment such as laser interferometer. Our property, plant and equipment subsequently increased by 13.7% to RMB14.3 million as of December 31, 2024, primarily due to an increase in machinery and equipment, primarily attributable to additions of production equipment such as laser interferometer. Our property, plant and equipment increased by 17.8% from RMB14.3 million as of December 31, 2024 to RMB16.9 million as of September 30, 2025, primarily due to (i) an increase in leasehold improvement primarily attributable to the refurbishing of our leased office spaces in Shenzhen, Guangdong Province and the production facilities in Foshan, Guangdong Province; and (ii) an increase in machinery and equipment, primarily attributable to additions of production equipment.

Right-of-Use Assets

Our right-of-use assets consisted of leased properties. Our right-of-use assets decreased by 26.2% from RMB8.5 million as of December 31, 2022 to RMB6.3 million as of December 31, 2023, and further decreased by 33.1% to RMB4.2 million as of December 31, 2024, primarily due to depreciation of leased properties. Our right-of-use assets increased by 284.7% from RMB4.2 million as of December 31, 2024 to RMB16.2 million as of September 30, 2025, primarily due to newly leased space for R&D activities in Shenzhen, Guangdong Province and our newly leased production facilities in Foshan, Guangdong Province.

Deferred Tax Assets

Our deferred tax assets arose from our accumulated losses. Our deferred tax assets increased significantly from RMB4.5 million as of December 31, 2022 to RMB45.9 million as of December 31, 2023, subsequently remained relatively stable at RMB47.1 million as of December 31, 2024 and RMB50.7 million as of September 30, 2025, primarily due to the deductible accumulated losses we had as of December 31, 2023 and 2024 and September 30, 2025, respectively. See Income Tax in Note 2.3 and Note 19 of the Accountants' Report in Appendix I to this Prospectus.

Net Current Assets

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of September 30,	As of January 31,
	2022	2023	2024	2025	2026
	(RMB in thousands)				
Current assets					
Inventories	87,994	110,716	127,978	140,374	113,118
Trade and bills receivables	47,959	69,692	111,646	134,565	156,268
Prepayments, deposits and other receivables	134,276	73,176	38,506	23,328	29,442
Financial assets at fair value through profit or loss	119,552	75,261	31,047	42,607	106,596

	As of December 31,			As of September 30,	As of January 31,
	2022	2023	2024	2025	2026
	(RMB in thousands)				
Financial assets at fair value through other comprehensive income	3,782	776	1,334	3,834	799
Time deposits with original maturity of over three months	30,471	80,024	54,624	39,114	32,219
Restricted bank deposits	–	–	36	36	–
Cash and cash equivalents	36,328	107,476	120,520	101,151	47,854
Total current assets	**460,362**	**517,121**	**485,691**	**485,009**	**486,296**
Current liabilities					
Trade payables	25,375	48,973	70,803	92,114	73,706
Other payables and accruals	33,729	38,116	36,640	37,577	46,346
Interest-bearing bank loans	10,000	–	–	–	–
Lease liabilities	2,684	2,068	2,121	3,525	4,428
Contract liabilities	7,016	10,646	6,894	4,383	4,428
Provision	606	768	1,094	1,285	1,040
Total current liabilities	**79,410**	**100,571**	**117,552**	**138,884**	**129,948**
Net current assets	**380,952**	**416,550**	**368,139**	**346,125**	**356,348**

Our net current assets remained relatively stable at RMB346.1 million as of September 30, 2025 and RMB356.3 million as of January 31, 2026.

Our net current assets remained relatively stable at RMB368.1 million as of December 31, 2024 and RMB346.1 million as of September 30, 2025.

Our net current assets decreased by 11.6% from RMB416.6 million as of December 31, 2023 to RMB368.1 million as of December 31, 2024, primarily due to (i) a decrease in financial assets at fair value through profit or loss of RMB44.2 million; (ii) a decrease in prepayments, deposits and other receivables of RMB34.7 million; (iii) a decrease in time deposits with original maturity of over three months (current) of RMB25.4 million; and (iv) an increase in trade payables of RMB21.8 million, partially offset by (i) an increase in trade and bills receivables of RMB42.0 million; (ii) an increase in inventories of RMB17.3 million; and (iii) an increase in cash and cash equivalents of RMB13.0 million.

Our net current assets increased by 9.3% from RMB381.0 million as of December 31, 2022 to RMB416.6 million as of December 31, 2023, primarily due to (i) an increase in cash and cash equivalents of RMB71.1 million; (ii) an increase in time deposits with original maturity of over three months (current) of RMB49.6 million; (iii) an increase in inventories of RMB22.7 million; and (iv) an increase in trade and bills receivables of RMB21.7 million, partially offset by (i) a decrease in prepayments, deposits and other receivables of RMB61.1 million; (ii) a decrease in financial assets at fair value through profit or loss of RMB44.3 million; and (iii) an increase in trade payables of RMB23.6 million.

Inventories

Our inventories primarily consisted of raw materials, work in process, finished goods and goods in transit. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Raw materials	34,892	41,686	52,192	50,114
Work in process	34,688	48,520	58,937	68,428
Finished goods	11,715	16,036	13,716	16,665
Goods in transit	6,699	4,474	3,133	5,167
Total	**87,994**	**110,716**	**127,978**	**140,374**

Our inventories increased by 25.8% from RMB88.0 million as of December 31, 2022 to RMB110.7 million as of December 31, 2023, further increased by 15.6% to RMB128.0 million as of December 31, 2024 and further increased by 9.7% to RMB140.4 million as of September 30, 2025, as our sales volume increased, which is in line with our revenue growth.

Our management periodically reviews our inventory levels for slow-moving inventory, obsolescence or decline in market value. Allowance is made when the net realizable value of inventories falls below the cost or any of the inventories is identified as obsolete. We assess the net realizable value of the inventories as well as the required amount of write-down of inventories at the end of each reporting period, which involves significant judgment on determination of the estimated selling price of our products in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on our current market condition, contract price of products if they are held for particular contracts and the historical experience of distributing and selling products of similar nature. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, we had inventory write-down of RMB14.1 million, RMB0.6 million, RMB4.3 million RMB5.7 million and RMB3.5 million, respectively. We had a relatively higher level of inventory write-down in 2022, primarily due to write-down of inventories related to cobots developed for specific tasks and application scenarios, such as moxibustion physiotherapy. We initially prepared the raw materials, created work-in-progress and manufactured these specialized cobots based on our belief in high market demand. However, as market sentiment proved weaker than expected and as we became increasingly more focused on developing standardized cobots which are adaptable in various application scenarios, we decided to write down inventories, mainly raw materials, and write off inventories, primarily work-in-progress and finished goods related to the moxibustion physiotherapy cobots. These decisions were based on our management's estimates during our periodic inventory review at the end of 2022. Our management believes that sufficient provision has been made at the end of each of the reporting periods.

The table below sets forth the breakdown of the gross value of our inventories and inventory write-down as of the dates indicated:

	As of December 31,									As of September 30,		
	2022			2023			2024			2025		
	Gross Value	Inventories write-down	Net Value	Gross Value	Inventories write-down	Net Value	Gross Value	Inventories write-down	Net Value	Gross Value	Inventories write-down	Net Value
	RMB'000											
Raw materials	42,320	7,428	34,892	48,656	6,970	41,686	61,570	9,378	52,192	57,237	7,123	50,114
Work in process	48,363	13,675	34,688	54,430	5,910	48,520	65,674	6,737	58,937	75,964	7,536	68,428
Finished goods	15,197	3,482	11,715	20,696	4,660	16,036	19,145	5,429	13,716	20,679	4,014	16,665
Goods in transit	6,699	–	6,699	4,474	–	4,474	3,133	–	3,133	5,167	–	5,167
Total	**112,579**	**24,585**	**87,994**	**128,256**	**17,540**	**110,716**	**149,522**	**21,544**	**127,978**	**159,047**	**18,673**	**140,374**

The following table sets forth the aged analysis of our inventory as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within 1 year	104,730	104,200	111,033	128,380
1 to 2 years	6,587	21,691	22,927	15,926
2 to 3 years	310	1,734	14,244	10,401
Over 3 years	952	631	1,318	4,340
	112,579	**128,256**	**149,522**	**159,047**

The following table sets forth our inventory turnover days for the periods indicated:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
Inventory turnover days(1)	276.1	289.8	213.5	206.6

Note:

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a period divided by cost of sales for the relevant period and multiplied by 365/270 days.

Our inventory turnover days were 276.1, 289.8, 213.5 and 206.6 in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. We had relatively long inventory turnover days during the Track Record Period, primarily due to the following reasons. (i) To ensure the continuity of our business operations and the advancement of R&D, we strategically increased our inventory level for key raw materials such as certain electronics and electrical components that typically require a lead time of six to 12 months to fulfill our annual production and R&D needs. (ii) The strong market recognition in our technology has opened the door for customer orders that require a high level of customization. This extensive customization requires unique and irreplaceable product structure and production process, resulting in a wide spectrum of specialized inventory that cannot be reduced through cross-order allocations. (iii) The increased demand for technology upgrades and heightened market competition led to the delay in the execution of certain sales orders, returns of trial products and the recovery of display machines by the our marketing team, resulting in the slow turnover of relevant work-in-progress and finished products. According to Frost & Sullivan, our inventory turnover days are in line with the industry norm.

These factors led to the increase in the proportion of inventories with an age of more than one year to the gross inventory balance increased from 7.0% as of December 31, 2022 to 19.3% as of September 30, 2025. Despite such increase, our management monitored our inventories carefully and kept the long-aged inventory in a relatively low level. The proportion of inventories with an age of more than three years was less than 3.0%, which generally aligns with our management's expectations. Despite the increasing proportion of inventories with an age of more than one year to the gross inventory balance and the overall relatively long inventory turnover days, our inventory turnover days generally decreased from 276.1 days in 2022 to 213.5 days in 2024 along with our improving inventory management measures. Our inventory turnover days subsequently remained relatively stable at 206.6 days in the nine months ended September 30, 2025.

To further improve inventory turnover and reduce the future occurrences of a significant write-down of inventories, we have implemented the following inventory management measures. (i) We launched a MRP system to improve our material planning and management processes, classified our inventories by category and importance to apply tailored control strategies for each category, prioritized the consumption of long-aging inventories and engaged in timely clearance of raw materials and discounted sales initiatives. (ii) We optimized our R&D process to more efficiently utilize inventories. (iii) We adopted a make-to-order production model to reduce the stockpiling of inventories for an extended period of time. As we continue to scale up our business operations and sales orders, we will continue to improve our inventory management. (iv) For sales forecasts, we implement precise sales forecasting with a monthly rolling forecast and review system to control forecast deviation and reduce inventory build-up caused by inaccurate predictions.

As of January 31, 2026, RMB93.9 million, or 66.9% of our inventories as of September 30, 2025, had been subsequently consumed or sold. We believe that there is no impairment issue for inventories because (i) our management monitors our inventories carefully and sets aside provisions for inventories proactively, factoring in long-term inventory consumption patterns, including any slower subsequent consumption, and current market values of our inventories which are higher than their costs, fully covering any risks; (ii) the long-aged inventory are in a relatively low level; and (iii) we have implemented more inventory management measures to further improve inventory turnover and reduce the future occurrences of a significant write-down of inventories as discussed above.

Trade and Bills Receivables

Our trade and bills receivables primarily refer to trade receivables from third parties and related parties, less impairment and bills receivables. The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade receivables				
– Third parties	17,819	52,061	101,039	97,984
– Related parties	32,011	18,861	8,881	29,620
Less: impairment of trade receivables	2,967	2,044	1,787	2,411
Trade receivables, net	**46,863**	**68,878**	**108,133**	**125,193**
Bills receivables	**1,096**	**814**	**3,513**	**9,372**
Total	**47,959**	**69,692**	**111,646**	**134,565**

We generally grant our customers a credit term of 90 days upon goods receipt and inspection. We sometimes allow customers with good credit history, particularly key customers with relatively large purchase volume, to settle payments beyond the credit terms originally prescribed in their contracts. According to Frost & Sullivan, this practice is in line with industry norm. Our trade and bills receivables increased from RMB48.0 million as of December 31, 2022 to RMB69.7 million as of December 31, 2023, further increased significantly to RMB111.6 million as of December 31, 2024 and further increased to RMB134.6 million as of September 30, 2025, in line with our revenue growth.

The following table sets forth the aged analysis of our trade receivables, net of impairment of trade receivables, as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within 1 year	35,159	55,272	97,410	119,176
1 to 2 years	9,630	10,966	5,000	5,746
2 to 3 years	2,074	2,640	5,723	271
	46,863	**68,878**	**108,133**	**125,193**

The following table sets forth our trade and bills receivables turnover days for the periods indicated:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
Trade and bills receivables turnover days[(1)]	128.7	122.4	106.6	118.3

Note:

(1) Trade and bills receivables turnover days are calculated using the average of opening balance and closing balance of trade receivables (excluding provision for impairment) for a period divided by revenue for the relevant period and multiplied by 365/270 days.

Our trade and bills receivables turnover days decreased from 128.7 days in 2022 to 122.4 days in 2023, and further decreased to 106.6 days in 2024, primarily because we consistently adhered to and reinforced our credit policy and payment collection rules. Our trade and bills receivables turnover days subsequently remained relatively stable at 118.3 days in the nine months ended September 30, 2025.

As of January 31, 2026, RMB68.6 million, or 50.1% of our trade and bills receivables as of September 30, 2025, had been subsequently settled. We believe there is no recoverability issue for trade receivables, and sufficient provision has been made despite lower subsequent settlement, for the following reasons. (i) Our expected credit loss model fully incorporates key risk factors, including aging, customer creditworthiness, and macroeconomic conditions. After careful evaluation, we believe that the existing provision is adequate and reasonable, requiring no additional significant allowance in this reporting period. (ii) While no material risk currently exists, we prioritize receivables management and have taken proactive steps. For example, our finance and sales teams have initiated targeted collection procedures, maintaining close communication with customers to ensure planned recovery; we pay close attention and monitor receivables that have been overdue beyond normal credit terms.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables primarily consisted of (i) value-added tax recoverable, (ii) prepayments for our procurements and (iii) amounts due from Neura Robotics, mainly representing the balance of borrowings to be repaid by the then-associate of our Company. See "— Related Party Transactions." The following table sets out a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Current:				
Value-added tax recoverable	14,336	13,162	4,813	7,029
Deferred listing expenses	–	–	–	3,285
Right-of-return assets	889	1,768	2,636	1,859
Prepayments	31,258	27,222	3,833	8,049
Tax recoverable	701	4,209	977	–
Amounts due from Neura Robotics	84,017	19,476	18,822	–
Deposits	426	129	139	655
Other receivables	2,938	7,720	8,053	2,480
Less: impairment of other receivables and deposit	289	510	767	29
	134,276	**73,176**	**38,506**	**23,328**
Non-Current:				
Prepayments for property, plant and equipment	1,075	430	1,964	2,123
	1,075	**430**	**1,964**	**2,123**
Total	**135,351**	**73,606**	**40,470**	**25,451**

Our total prepayments, deposits and other receivables (including current and non-current portions) decreased from RMB135.4 million as of December 31, 2022 to RMB73.6 million as of December 31, 2023, primarily due to a decrease in amounts due from Neura Robotics as a result of repayment of loans arising from daily operations made to the then-associate of our Company.

Our prepayments, deposits and other receivables decreased from RMB73.6 million as of December 31, 2023, to RMB40.5 million as of December 31, 2024, primarily due to a decrease in prepayments as a result of improved contract terms with our suppliers and less prepayments required. We adopt a strict policy on prepayment management and aim to maintain a relatively low level of prepayments as a percentage of our total purchase amount. Our prepayments, deposits and other receivables further decreased from RMB40.5 million as of December 31, 2024 to RMB25.5 million as of September 30, 2025, primarily due to a decrease in amounts due from Neura Robotics, primarily as a result of the repayment of the borrowings by Neura Robotics.

As of January 31, 2026, RMB9.1 million, or 81.2% of our prepayments, deposits and other receivables as of September 30, 2025, had been subsequently settled.

Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss primarily consisted of bank wealth management products for the purpose of asset management. Our financial assets at fair value through profit or loss decreased by 37.0% from RMB119.6 million as of December 31, 2022 to RMB75.3 million as of December 31, 2023, and further decreased by 58.7% to RMB31.0 million as of December 31, 2024, primarily due to changes in the product portfolio of asset management products we purchased. We purchased an increasingly larger amount of time deposit products throughout the Track Record Period and reduced our holding of financial assets at fair value through profit or loss for the reason discussed above. Our financial assets at fair value through profit or loss further increased by 37.2% from RMB31.0 million as of December 31, 2024 to RMB42.6 million as of September 30, 2025, primarily because (i) we newly purchased financial assets at fair value through profit or loss with our idle cash; and (ii) the fair value of our financial assets increased in the nine months ended September 30, 2025.

Under our investment policy on the purchase of such financial assets, we employ a comprehensive set of internal policies and guidelines to manage our investments in order to monitor the investment risks associated with our portfolio of financial assets. According to our internal capital management policy, payments for investment operations shall be processed following the approval of the director of our finance department. It is strictly prohibited to invest in high-risk ventures such as stocks or futures without following the prescribed procedures. Furthermore, under our investment policy, we monitor the levels of idle cash and bank balances and use idle cash to increase our returns based on our working capital requirements at the relevant time. Under our internal control policies, our Board sets the general guidance for the purchase of financial assets annually. The director of our finance department is responsible for making decisions to purchase financial assets as outlined in the guidance. The director of our finance department is also responsible for managing and monitoring the risks associated with our portfolio of financial assets. We also periodically evaluate the fair value of our financial assets. This assessment includes measuring fair value, assessing profitability and considering risk conditions related to our investments. If any issues or problems are identified during the evaluation, they should be promptly reported to our board of Directors along with details of the corrective actions taken. Our management, including our finance department, has extensive experience in managing the financial aspects of our operations.

Our investment strategy related to such products focuses on minimizing financial risks, including market, credit and liquidity risk, while generating desirable investment returns. Our investment horizon for each short-term financial asset we purchase is typically within three months. After Listing, our investments in financial products will be subject to compliance with Chapter 14 of the Listing Rules.

Time Deposits with Original Maturity of Over Three Months

Our time deposits with original maturity of over three months primarily represent the value of time deposits products we purchase for the purpose of asset management. The following table sets out a breakdown of our time deposits with original maturity of over three months primarily, including current and non-current portions, as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Current	30,471	80,024	54,624	39,114
Non-Current	–	–	61,852	107,120
Total	**30,471**	**80,024**	**116,476**	**146,234**

Our total time deposits with original maturity of over three months (including current and non-current portions) increased from RMB30.5 million as of December 31, 2022 to RMB80.0 million as of December 31, 2023, further increased to RMB116.5 million as of December 31, 2024, and further increased to RMB146.2 million as of September 30, 2025, primarily due to changes in the product portfolio of asset management products we purchased. In general, we purchased an increasingly large amount of time deposit products throughout the Track Record Period and prioritized the purchase of time deposit products to the purchase of financial assets at fair value through profit or loss, because the former allows for more stable gains with lower level of risks.

Trade Payables

Our trade payables primarily consisted of the amount of trade and bills payables to our suppliers. Our trade payables increased by 93.0% from RMB25.4 million as of December 31, 2022 to RMB49.0 million as of December 31, 2023, further increased by 44.6% to RMB70.8 million as of December 31, 2024 and further increased by 30.1% to RMB92.1 million as of September 30, 2025, along with our increased sales order and therefore increased level of procurement, which is in line with our revenue growth.

The following table sets forth the aged analysis of our trade payables as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within 1 year	24,510	45,925	67,489	89,861
Over 1 year	865	3,048	3,314	2,253
Total	**25,375**	**48,973**	**70,803**	**92,114**

Our trade payables are non-interest-bearing and normally settled within one to three months upon goods receipt and inspection. Our average turnover days of trade payables were longer than the credit period offered by our suppliers primarily because we had stable and amicable business relationships with suppliers and a good credit history in the ordinary course of business. As a result, we are allowed to settle our payments with suppliers beyond the credit terms originally prescribed in the relevant contracts. The following table sets forth our trade payables turnover days for the Track Record Period:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
Trade payables turnover days(1)	114.8	108.4	107.1	125.4

Note:

(1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a period divided by cost of sales used for the relevant period and multiplied by 365/270 days.

Our trade payables turnover days remained relatively stable at 114.8 days in 2022, 108.4 days in 2023 and 107.1 days in 2024. Our trade payables turnover days further increased from 107.1 days in 2024 to 125.4 days in the nine months ended September 30, 2025, primarily due to (i) a larger share of procurement that allowed for credit periods instead of requiring prepayments; and (ii) our proactive cash flow management, which involved obtaining longer settlement periods with our suppliers.

As of January 31, 2026, RMB58.5 million, or 63.5% of our trade payables as of September 30, 2025, had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals primarily consisted of (i) payroll payable, which primarily represent the balance of accrued employee compensation as of the dates indicated, (ii) other tax payables, (iii) refund liabilities, which primarily represent our estimated return funds to customers for products that may be returned or refunded based on historical product returns and (iv) other payables, which primarily represent payables for equipment, refunds of government subsidies, reimbursement expenses and utilities expenses. See Note 26 of the Accountants' Report in Appendix I to this Prospectus. Our other payables and accruals increased by 13.0% from RMB33.7 million as of December 31, 2022 to RMB38.1 million as of December 31, 2023, primarily because of (i) an increase in payroll payable, mainly representing bonus compensation to employees, which was in line with the growth of our revenue; and (ii) an increase in refund liabilities in line with our revenue growth. Our other payables and accruals remained relatively stable at RMB38.1 million as of December 31, 2023 and RMB36.6 million as of December 31, 2024, primarily due to a decrease in other payables, mainly the payables for equipment, partially offset by an increase in payroll payable, mainly the bonus compensation to employees, which was in line with our revenue growth. Our other payables and accruals remained relatively stable at RMB36.6 million as of December 31, 2024 and RMB37.6 million as of September 30, 2025.

As of January 31, 2026, RMB18.2 million, or 71.5% of our other payables and accruals as of September 30, 2025, had been subsequently settled.

Contract Liabilities

Our contract liabilities primarily represent advances from customers for our sale of goods. Our contract liabilities increased by 51.7% from RMB7.0 million as of December 31, 2022 to RMB10.6 million as of December 31, 2023, subsequently decreased by 35.2% to RMB6.9 million as of December 31, 2024 and further decreased by 36.4% to RMB4.4 million as of September 30, 2025, which was primarily affected by the timing of the payments and product deliveries. Certain of our customers made prepayments before December 31, 2023 while we delivered the relevant products after that date. The following table sets out a breakdown of our contract liabilities as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Advances from customers				
Sale of goods	7,016	10,646	6,894	4,383
Analysed for reporting purposes as:				
Current liabilities	7,016	10,646	6,894	4,383

As of January 31, 2026, RMB3.8 million, or 86.4% of our contract liabilities as of September 30, 2025, had been subsequently recognized as revenue.

SHARE CAPITAL AND TOTAL EQUITY

Our share capital amounted to nil, nil, nil and RMB90.1 million as of December 31, 2022, 2023, 2024 and September 30, 2025, respectively.

In addition, our total equity amounted to RMB405.0 million, RMB478.1 million, RMB496.3 million and RMB528.1 million as of December 31, 2022, 2023, 2024 and September 30, 2025, respectively. Our total equity increased by 6.4% from RMB496.3 million as of December 31, 2024 to RMB528.1 million as of September 30, 2025, primarily due to (i) the issue of shares in the nine months ended September 30, 2025 of RMB23.0 million; and (ii) the equity-settled share award expense of RMB24.7 million in the nine months ended September 30, 2025. These are partially offset by our loss for the period of RMB15.6 million in the nine months ended September 30, 2025. Our total equity increased by 3.8% from RMB478.1 million as of December 31, 2023 to RMB496.3 million as of December 31, 2024, primarily due to our profit for the year for 2024 of RMB17.9 million. Our total equity increased by 18.0% from RMB405.0 million as of December 31, 2022 to RMB478.1 million as of December 31, 2023, primarily due an equity-settled share award expense of RMB70.5 million in 2023.

PRE-IPO INVESTMENTS

We have completed series rounds of Pre-IPO Investments. For further details of the identity and background of the Pre-IPO Investors and the principal terms of the Pre-IPO Investments, please see "History, Development and Corporate Structure — Pre-IPO Investments" in this Prospectus. For other details of the Pre-IPO Investments and the special rights, see Note 31 to the Accountants' Report set out in Appendix I to this prospectus.

There was no exercise of Special Rights granted by our Company before January 1, 2022 and throughout the Track Record Period.

On April 30, 2025, our Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that the redemption rights and liquidation preferences rights granted by our Company to Pre-IPO investors have been irrevocably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the supplemental agreements, our Directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period.

Had the Special Rights granted by our Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements in April 2025:

(i) the redemption financial liabilities, total current liabilities, net current liabilities, total non-current liabilities and net deficits would have been:

	As at 31 December,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Redemption financial liabilities	702,157	753,684	811,608
Total current liabilities	655,679	720,637	929,160
Net current liabilities	195,317	203,516	443,469
Total non-current liabilities	132,904	139,197	2,752
Net deficits	(297,164)	(275,619)	(315,349)

(ii) the finance costs associated with the redemption financial liabilities, the net losses for the year/period, basic and dilutive loss per share would have been:

	Year ended 31 December,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Financial costs associated with the redemption financial liabilities	(58,893)	51,527	57,924	43,364	22,211
Total net losses	(24,473)	(49,632)	(40,055)	(34,327)	(37,799)
Basic and dilutive loss per share (expressed in RMB)	(0.06)	(0.11)	(0.09)	(0.08)	(0.09)

See Note 31 to the Accountants' Report set out in Appendix I to this prospectus.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations, equity holder contributions and bank loans. After the Global Offering, we intend to finance our future capital requirements through cash generated from our business operations and the net proceeds from the Global Offering. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Consolidated Statements of Cash Flows

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

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB in thousands)	*(unaudited)*	
Net cash flows (used in)/from operating activities	(153,460)	(57,247)	11,917	18,512	(18,313)
Net cash flows from investing activities	163,858	140,522	3,467	(40,672)	(18,805)
Net cash flows from/(used in) financing activities	9,858	(12,149)	(3,247)	(2,678)	17,444
Net increase in cash and cash equivalents	**20,256**	**71,126**	**12,137**	**(24,838)**	**(19,674)**
Cash and cash equivalents at beginning of year/period	16,381	36,328	107,476	107,476	120,520
Cash and cash equivalents at end of year /period	**36,328**	**107,476**	**120,520**	**81,377**	**101,151**

Net Cash (Used in)/From Operating Activities

In the nine months ended September 30, 2025, we had net cash flows used in operating activities of RMB18.3 million, which represents our loss before tax of RMB19.2 million, as adjusted by (i) non-cash and non-operating items, primarily comprising of equity-settled share-based payments of RMB24.7 million; and (ii) movements in working capital, primarily comprising an increase in trade and bills receivables of RMB49.1 million, partially offset by an increase in inventories of RMB17.2 million and an increase in trade and bills payables of RMB42.2 million.

In 2024, we had net cash flows from operating activities of RMB11.9 million, which represent our profit before tax of RMB16.7 million, as adjusted by (i) non-cash and non-operating items, primarily comprising of investment income from time deposits of RMB3.4 million; and (ii) movements in working capital, primarily comprising an increase in trade and bills receivables of RMB66.4 million and an increase in inventories of RMB21.5 million, partially offset by an increase in trade and bills payables of RMB48.3 million and a decrease in prepayments, deposits and other receivables of RMB32.6 million.

In 2023, we had net cash flows used in operating activities of RMB57.2 million, which represent our loss before tax of RMB39.5 million, as adjusted by (i) non-cash and non-operating items, primarily comprising gain on disposal of a joint venture of RMB78.6 million and gain on disposal of a subsidiary of RMB12.8 million, partially offset by equity-settled share-based payments of RMB69.6 million; and (ii) movements in working capital, primarily comprising an increase in trade and bills receivables of RMB29.4 million, and an increase in inventories of RMB26.4 million, partially offset by an increase in trade and bills payables of RMB40.3 million.

In 2022, we had net cash flows used in operating activities of RMB153.5 million, which represent our loss before tax of RMB84.9 million, as adjusted by (i) non-cash and non-operating items, primarily comprising investment income from wealth management products and structured deposits of RMB3.8 million, partially offset by equity-settled share-based payments of RMB12.8 million; and adjusted by (ii) movements in working capital, primarily comprising an increase in inventories of RMB47.2 million, an increase in prepayments, deposits and other receivables of RMB35.3 million and an increase in trade and bills receivables of RMB23.2 million, as partially offset by an increase in other payables and accruals of RMB12.0 million.

Our net operating cash flow fluctuated during the Track Record Period, which was partially because there are often time lags between settlements to our suppliers and settlements from our customers, resulting in possible cash flow mismatch. For the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, our trade and bills receivables turnover days were 128.7 days, 122.4 days, 106.6 days and 118.3 days, respectively, which generally represented the period of time since our products are delivered and accepted by the customers and up to the settlement of amounts due from our customers. Meanwhile, during the same periods, our trade payables turnover days were 114.8 days, 108.4 days, 107.1 days and 125.4 days, respectively, which generally represented the period of time since we received and accepted materials and components from our suppliers and up to our settlement of payment to them. This demonstrates that it generally takes a relatively longer period for us to receive settlements from our customers, as compared to the time it took us to settle our payments to suppliers. On the other hand, during the same periods, our inventory turnover days were 276.1 days, 289.8 days, 213.5 days and 206.6 days, respectively, which generally represented the period of time since the acquirement or production of the inventory to the consumption or sales of these inventories. Relatively long inventory and trade receivables turnover days indicated that cash was tied up in inventory and receivables for longer periods, delaying the inflow of cash required for our operational expenses. We may experience cash flow mismatch from time to time, which largely depend on our customers' internal process for approving payments to us, the credit terms and settlement period granted to us by our suppliers, the number and scale of our contracts, and the efficiency of our consumption or sales of inventories.

In order to prevent cash flow mismatch, we have adopted and plan to further adopt the following measures:

(i) We have built an inventory monitoring system to regularly track key indicators such as inventory turnover rate and the proportion of slow-moving inventories. Based on our continuous monitor of inventories, sales forecasts and production plans, we timely adjust procurement strategies. For key raw materials that we strategically stock up, we prioritize consuming items with a relatively high level of inventory and low inventory turnover rate. For sales forecasts, we implement precise sales forecasting with a monthly rolling forecast and review system to control forecast deviation and reduce inventory build-up caused by inaccurate predictions.

(ii) We have been promoting standardized designs for components used in our products to enhance the material versatility and reduce slow-moving inventory caused by product iterations.

(iii) We regularly negotiated with key suppliers to secure extended credit terms and/or settlement period for trade payables while continually optimizing our trade payables management policies. Additionally, we are exploring long-term framework agreements with suppliers to stabilize cash flow fluctuations through options such as prepayments and installment payments.

(iv) We have been deepening our cooperation with financial institutions and exploring diversified financing tools, such as the use of trade receivables and discounting bills to pay our suppliers, to lower the amount of outstanding trade receivables.

(v) We will further enhance the monitor and control of our procurement needs to minimize redundant purchases and prevent inventory build-up from the outset. We will increase the frequency of reviews of procurement history and past sales forecasts to optimize future procurement practices and minimize inventory risks from human error. Oversight of long-aged inventory will be strengthened through collaboration between R&D and procurement teams, ensuring timely consumption of such materials through product iteration and updates.

(vi) We plan to implement an integrated business and financial system to generate automatic alerts for potential cash flow risks, such as stagnant inventory and impending overdue trade receivables. We expect this integrated system to ensure efficient responses at all stages of our business operations and to prevent the reduction in working capital caused by inefficient operating processes.

(vii) We plan to implement differentiated trade receivables management policies based on customer credit ratings. For overdue trade receivables, we plan to adopt a tiered collection strategy with the option to resort to legal actions, such as issuing lawyer's letters and initiating litigations, to improve trade receivables collection results. We also aim to optimize contract terms with our customers to clearly define settlement schedules and the consequences of payment default, thereby reducing the risk of bad debt.

(viii) As a cobot provider, we plan to further focus on the development of standardized products to improve our inventory turnover rate. We will also deepen our collaboration with high-quality customers and gradually phase out customers with relatively high credit risks and long payment cycles to improve our cash inflows.

Net Cash Flows from Investing Activities

In the nine months ended September 30, 2025, our net cash flows used in investing activities was RMB18.8 million, which was primarily attributable to purchase of financial assets at fair value through profit or loss of RMB192.8 million, a purchase of time deposits of RMB37.1 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB182.0 million.

In 2024, our net cash flows from investing activities was RMB3.5 million, which was primarily attributable to (i) proceeds from disposal of financial assets at fair value through profit or loss of RMB382.5 million and (ii) proceeds from disposal of time deposits of RMB80.0 million, partially offset by a purchase of financial assets at fair value through profit or loss of RMB336.3 million, a purchase of time deposits of RMB113.1 million and purchases of items of property, plant and equipment of RMB10.0 million.

In 2023, our net cash flows from investing activities was RMB140.5 million, which was primarily attributable to proceeds from disposal of financial assets at fair value through profit or loss of RMB177.2 million, proceeds from the disposal of a joint venture of RMB75.0 million and advances of loans from a joint venture of RMB70.4 million, partially offset by a purchase of financial assets at fair value through profit or loss of RMB131.3 million and a purchase of time deposits of RMB78.8 million.

In 2022, our net cash flows from investing activities was RMB163.9 million, which was primarily attributable to proceeds from disposal of financial assets at fair value through profit or loss of RMB371.5 million, partially offset by a purchase of financial assets at fair value through profit or loss of RMB117.5 million, advances of loans to a joint venture of RMB49.5 million, a purchase of time deposits of RMB30.0 million and purchases of items of property, plant and equipment of RMB9.4 million.

Net Cash Flows from/(Used in) Financing Activities

In the nine months ended September 30, 2025, our net cash flows generated from financing activities were RMB17.4 million, primarily attributable to issue of shares of RMB23.0 million, partially offset by payments for listing expense of RMB2.6 million and payments of lease liabilities of RMB2.9 million.

In 2024, our net cash flows used in financing activities were RMB3.2 million, primarily attributable to payments of lease liabilities of RMB3.2 million.

In 2023, our net cash flows used in financing activities were RMB12.1 million, primarily attributable to a repayment of bank loans of RMB10.0 million and payments of lease liabilities of RMB1.9 million.

In 2022, our net cash flows from financing activities were RMB9.9 million, primarily attributable to new bank loans of RMB10.0 million and capital contribution of a subsidiary from a non-controlling shareholder of RMB3.0 million, primarily offset by payments of lease liabilities of RMB3.0 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Workforce employment[(1)]	74,188	120,420	92,932	68,516	112,262
Research and development costs[(2)]	11,695	15,381	7,411	30,533	38,423
Direct production costs, including materials[(3)]	163,178	125,372	198,771	145,741	187,552
Product marketing[(4)]	10,127	18,246	18,559	14,500	13,659
Non-income taxes and other charges[(5)]	1,590	3,179	2,884	2,126	5,050
Total	**260,778**	**282,598**	**320,557**	**261,416**	**356,946**

Notes:

(1) Cash operating costs relating to workforce employment represent the sum of employee benefit expenses under research and development expenses, administrative expenses, costs of sales and selling and distribution expenses (excluding share-based payments expenses which are non-cash in nature), adjusted by changes in working capital, namely the changes in current assets and the current liabilities, relating to employee benefit expenses as of the previous and current period end under the above operating expenses.

(2) Research and development costs under cash operating costs represent research and development expenses (excluding employee benefit expenses and non-cash items under research and development expenses) adjusted by changes in working capital, namely the changes in current assets and the current liabilities, relating to research and development activities as of the previous and current period end.

(3) Cash operating costs relating to direct service and production costs, including materials, represent the costs of sales (excluding employee benefit expenses and non-cash items under contract fulfillment costs) adjusted by changes in working capital, namely the changes in current assets and the current liabilities, relating to service and production as of the previous and current period end.

(4) Cash operating costs relating to product marketing represent the selling and distribution expenses (excluding employee benefit expenses and non-cash items under selling and distribution expenses) adjusted by changes in working capital, namely the changes in current assets and the current liabilities, relating to sales and distribution activities as of the previous and current period end.

(5) Non-income taxes and other charges include value-added taxes and other charges recorded under administrative expenses.

INDEBTEDNESS

As of December 31, 2022, 2023, 2024, September 30, 2025 and January 31, 2026, our indebtedness included lease liabilities and interest-bearing bank borrowings. As of January 31, 2026, we did not have any committed unutilized banking facilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of September 30,	As of January 31,
	2022	2023	2024	2025	2026
	(RMB in thousands)				
Current:					
Lease liabilities	2,684	2,068	2,121	3,525	4,428
Interest-bearing bank loans	10,000	–	–	–	–
Non-current:					
Lease liabilities	6,595	5,411	2,325	13,055	11,875
Total	**19,279**	**7,479**	**4,446**	**16,580**	**16,303**

Lease Liabilities

As of December 31, 2022, 2023, 2024, September 30, 2025 and January 31, 2026, our total lease liabilities (including current and non-current portions) amounted to RMB9.3 million, RMB7.5 million, RMB4.4 million, RMB16.6 million and RMB16.3 million, respectively.

Our total lease liabilities decreased by 19.4% from RMB9.3 million as of December 31, 2022 to RMB7.5 million as of December 31, 2023, and further decreased by 41.3% to RMB4.4 million as of December 31, 2024, primarily as we made lease payments and reduced our lease liabilities. Our lease liabilities subsequently increased from RMB4.4 million as of December 31, 2024 to RMB16.6 million as of September 30, 2025, primarily due to the addition of leased spaces for R&D activities and the renewal of lease terms for space used as our production facilities in Foshan, Guangdong Province. Our lease liabilities remained relatively stable at RMB16.6 million as of September 30, 2025 and RMB16.3 million as of January 31, 2026.

Interest-bearing Bank Loans

As of December 31, 2022, 2023, 2024, September 30, 2025 and January 31, 2026, our interest-bearing bank loans amounted to RMB10.0 million, nil, nil, nil and nil million, respectively. We borrowed a one-off bank loan in 2022 for the purpose of daily operations, which was secured and fully repaid in 2023. During the Track Record Period, we typically generated cash flows from operations and investments sufficient for our business operations.

No Other Outstanding Indebtedness

Our Directors confirm that, as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and that we did not experience any difficulty in obtaining bank loans and other borrowings, material default in payment of trade and non-trade payables, bank loans and other borrowings or breach of covenants during the Track Record Period and up to the date of this Prospectus.

Except as disclosed above, as of January 31, 2026, being the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our directors have confirmed that there has been no material change in our indebtedness from January 31, 2026 to the date of this Prospectus.

CONTINGENT LIABILITIES

As of December 31, 2022, 2023, 2024 and September 30, 2025, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of (i) purchase of items of property, plant and equipment; and (ii) purchase of intangible assets. The table below sets forth our capital expenditure for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Purchase of items of property, plant and equipment	9,376	3,791	9,960	5,361	6,297
Purchase of intangible assets	1,044	–	325	–	1,442
Total	**10,420**	**3,791**	**10,285**	**5,361**	**7,739**

We had capital expenditures of RMB10.4 million, RMB3.8 million, RMB10.3 million, RMB5.4 million and RMB7.7 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. We funded the expenditures mainly with cash generated from business operations and financing activities.

Following the Global Offering, we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations, bank borrowings and the net proceeds received from the Global Offering. See "Future Plans and Use of Proceeds." We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

The Group did not have any significant commitments as of December 31, 2022, 2023, 2024 and September 30, 2025.

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. There were amounts due from Neura Robotics when it was our associate as of December 31, 2022, which amounted to RMB84.0 million. See "History, Development and Corporate Structure — Material Acquisitions, Disposals and Mergers." Such amounts were non-trade in nature, unsecured and collectable within one year. Such amounts were in relation to loans arising from daily operations we made to this then-associate of our Company, bear an interest rate of approximately 1.0% per annum, and had been settled as of the Latest Practicable Date. See Note 38(c) to the Accountants' Report included in Appendix I to this Prospectus for details.

Our Directors are of the view that our related party transactions during the Track Record Period were conducted in the ordinary course of business at arm's length with reference to normal commercial terms, and would not distort our track record results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the date/for the periods indicated:

	As of/Year ended December 31,			As of/ Nine months ended September 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
Revenue growth (%)[(1)]	N/A	60.2	77.0	N/A	36.2
Gross profit margin (%)[(2)]	13.7	28.6	34.3	33.6	37.6
Net (loss)/profit margin (%)[(3)]	(76.2)	1.1	5.8	4.4	(5.5)
Adjusted net (loss)/profit margin (non-IFRS measure) (%)[(4)]	(64.4)	40.7	5.8	4.4	8.7
Current ratio[(5)]	5.8	5.1	4.1	N/A	3.5
Quick ratio[(6)]	4.7	4.0	3.0	N/A	2.5

Notes:

(1) Revenue growth is calculated by subtracting the previous year's revenue from the current period's revenue, dividing the result by the previous period's revenue, multiplied by 100%.

(2) Gross profit margin equals gross profit for the period divided by revenue for the respective period and multiplied by 100.0%.

(3) Net (loss)/profit margin equals the net (loss)/profit for the period divided by revenue for the respective period and multiplied by 100.0%.

(4) Adjusted net (loss)/profit margin (non-IFRS measure) equals the adjusted net (loss)/profit (non-IFRS measure) for the period divided by revenue for the respective period and multiplied by 100.0%.

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

(6) Quick ratio equals total current assets less inventories as of the end of the period divided by total current liabilities as of the same date.

R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our R&D expenditure primarily consisted of research and development expenses adjusted by adding intangible assets acquired from third parties and capitalized and deducting amortization expense of capitalized intangible assets included in research and development expenditure. The following table sets forth our per-period and total R&D expenditure for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Research and development expenses	55,432	85,656	47,283	33,894	50,978
Adjustments:					
Add: intangible assets acquired from third parties and capitalized[1]	1,044	–	325	–	1,283
Less: amortization expense of capitalized intangible assets included in research and development expenditure[1]	(652)	(709)	(739)	(518)	(613)
Total R&D expenditure for the period	**55,824**	**84,947**	**46,869**	**33,376**	**51,648**
Total R&D expenditure[2]					**239,288**

The following table sets forth our per-period and total operating expenditure for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Research and development expenses	55,432	85,656	47,283	33,894	50,978
Selling and distribution expenses	31,944	60,450	41,941	30,146	39,315
Administrative expenses	21,740	45,997	12,543	9,662	43,727

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Add: intangible assets acquired from third parties and capitalized[(1)]	1,044	–	325	–	1,283
Less: amortization expense of capitalized intangible assets included in research and development expenditure[(1)] . .	(652)	(709)	(739)	(518)	(613)
Total operating expenditure for the period	**109,508**	**191,394**	**101,353**	**73,184**	**134,690**
Total operating expenditure[(2)]					**536,945**

Notes:

(1) Primarily related to software procured from third parties for our R&D activities.

(2) The sum of total indicated expenditure in 2022, 2023, 2024 and the nine months ended September 30, 2025.

The following table sets forth our annual R&D expenditure ratio and total R&D expenditure ratio for the periods indicated:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(unaudited)	
Annual R&D expenditure ratio[(1)]	51.0	44.4	46.2	45.6	38.3
Total R&D expenditure ratio[(2)]					44.6

Notes:

(1) Calculated by dividing annual R&D expenditure by annual total operating expenditure.

(2) Calculated by dividing total R&D expenditure by total operating expenditure.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet commitments or arrangements.

FINANCIAL RISKS DISCLOSURE

Our principal financial instruments comprise interest-bearing bank and other borrowings, financial assets at fair value through profit or loss and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from operations. See Note 41 of the Accountants' Report in Appendix I to this Prospectus.

The main risks arising from our financial instruments are foreign currency risk, credit risk and liquidity risk. See Note 41 of the Accountants' Report in Appendix I to this Prospectus.

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, no dividend has been paid or declared by our Company. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, 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. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the net proceeds from the Global Offering and the financial resources available to us, including cash and cash equivalents, we have sufficient working capital to cover our present requirements, including research and development expenses, selling and distribution expenses, administrative expenses and other operating costs for at least 12 months from the date of this Prospectus.

Our cash burn rate refers to the average monthly (i) net cash (used in)/from operating activities, (ii) purchase of property, plant and equipment, and (iii) purchase of intangible assets. Our historical cash burn rate was RMB13.7 million and RMB5.1 million in 2022 and 2023, respectively. We had a negative cash burn rate, namely cash gain rate, of RMB0.1 million in 2024, as the net cash from operating activities was larger than the sum of the purchase of property, plant and equipment and the purchase of intangible assets. Our historical cash burn rate was RMB2.9 million in the nine months ended September 30, 2025. Assuming that the average cash burn rate going forward will be similar to the expected cash burn rate level in 2025, which is estimated to be RMB0.4 million, based on the underlying assumptions that (i) the number of our employees will mildly increase, particularly in the R&D department; (ii) we do not expect substantial capital investment; and (iii) we do not expect significant increase in capital expenditures, we estimate that our cash and cash equivalents, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income as of September 30, 2025 will be able to maintain our financial viability for 384.8 months, without taking into account the estimated net proceeds from the Global Offering. We will continue to monitor our cash flows from operations closely.

UNAUDITED PRELIMINARY FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2025

The preliminary financial information of our Group as of and for the year ended December 31, 2025 as set out in Appendix IIA to this prospectus, which is prepared in compliance with the content requirements as for preliminary results announcements under Rule 13.49 of the Listing Rules, have been agreed by the Reporting Accountants, to the amounts set out in the draft consolidated financial statements of our Group for the year ended December 31, 2025, following with their work under Practice Note 730 (Revised) "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants.

DISTRIBUTABLE RESERVES

As of September 30, 2025, we did not have any distributable reserves.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately RMB81.9 million (assuming an Offer Price of HK$17.00 per Offer Share and no exercise of the Offer Size Adjustment Option and the Over-allotment Option), representing 6.8% of the gross proceeds (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised) of the Global Offering. We expect to incur listing expenses of RMB81.9 million, of which RMB27.8 million is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and RMB54.1 million is expected to be recognized as a deduction in equity directly upon the Listing. By nature, our listing expenses are composed of (i) underwriting commission of RMB48.4 million, and (ii) non-underwriting related expenses of RMB33.5 million, which consist of fees and expenses of legal advisors and the Reporting Accountant of RMB20.0 million and other fees and expenses of RMB13.5 million.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited Pro Forma Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this Prospectus there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of the periods reported in Appendix I to this Prospectus, and there is no event since September 30, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this Prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Strategies" for a detailed discussion of our future plans.

USE OF PROCEEDS

Assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK$17.00 per Offer Share, we estimate that we will receive net proceeds of approximately HK$1,280.4 million from the Global Offering. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- Approximately 55.0% of the net proceeds, or approximately HK$704.2 million, will be used for deepening our R&D capabilities in the next five years. We aim to further optimize our core technologies, intelligent cobots, precision motion platforms and key components of humanoid robots. As our initial investment in R&D has proven successful with many of our products passing the validation stage and commencing mass production, we plan to proactively increase our investment in R&D in the next five years and allocate more resources to the development of advanced technologies and innovative products to maintain our leadership, sustained growth and adaptability in the rapidly evolving cobot industry. We plan to recruit additional R&D talents for each of our R&D project and purchase relevant materials, hardware and software to support our R&D activities. The net proceeds will be used to attract, recruit and compensate additional R&D talents, and purchase R&D materials, hardware and software. Upon investing in below R&D projects, we anticipate, among other things, an increase in our R&D expenses, a decrease in our net profit and an increase in operating cash outflow. Upon successfully develop below advanced technologies and innovative products, we anticipate that we will be able to reinforce our leadership in the cobot industry, with, among other things, increases in our revenue, gross profit, net profit and operating cash inflow. In particular:

  (i) Approximately 15.0% of the net proceeds, or approximately HK$192.1 million, will be used for the ongoing R&D and investments in AI technologies to enhance the intelligence of our HRC Embodied Intelligence Control Platform in line with our business strategy. This includes (a) upgrading our motion control algorithms and optimizing scenario-based model, (b) developing new generation of safety controllers, (c) iterating our embodied intelligence platform with enhanced multimodal perception and decision-making, (d) developing real-time operating systems, and (e) upgrading the platform-level ecosystem.

  (ii) Approximately 13.0% of the net proceeds, or approximately HK$166.5 million, will be used for further tailoring our products and extending our reach to specific downstream application scenarios. This use of proceeds is in line with our business strategy of being committed to a scenario-centric R&D approach, focusing on improving the adaptability of our cobot products across diverse application scenarios. Leveraging extensive industrial process data accumulated across scenarios such as precision machining, intelligent welding, logistics palletizing, medical testing and screw fastening scenarios, we will continue to train and optimize our "FlexMind" training system. For example, we will further expand our library of algorithms for scenario-specific tasks such as welding, palletizing, fastening, adaptive force control, spraying and polishing, to enhance product performance in specific scenarios and ensure customer retention. We will also enrich our library with scenario-specific algorithms for tasks such as healthcare, especially rehabilitation therapy, and catering services. We will also explore the adaptability of our platform-level cobots across diverse application scenarios and the opportunities to further co-develop scenario-specific products.

(iii) Approximately 10.0% of the net proceeds, or approximately HK$128.0 million, will be used for developing and upgrading our proprietary key components for cobots, such as the M series high-performance motors, next-generation servo drives and algorithms, sensors and air-floating platforms. This helps us pursue our overall business strategy focused on continue strengthening R&D in cobot technologies.

(iv) Approximately 10.0% of the net proceeds, or approximately HK$128.0 million, will be used for developing core motion components for humanoid robots, in line with our business strategy to seize the opportunities in the growing humanoid robotics market. We will develop miniaturized core motion components better suited for humanoid robots, including micro servo drives, frameless torque motors, coreless motors, humanoid robot joint modules, motion controllers and humanoid robot arms. Currently, our frameless torque motors and joint modules have been applied in products for some customers of our humanoid robots. We will further enhance the performance of relevant products.

(v) Approximately 7.0% of the net proceeds, or approximately HK$89.6 million, will be used for the ongoing development of the next-generation high-performance cobots. We aim for our next-generation high-performance cobots to achieve world-leading excellence in terms of precision, jitter, response speed, safety and perception capabilities. This will help us maintain our leadership in the cobot industry and continually grow our market share. Our main focus includes developing (a) next-generation cobots with high safety standards, (b) world-leading high-precision cobots, (c) high-speed cobots, (d) special cobots that meet stringent cleanliness standards, (e) cobots with new drive methods, and (f) lightweight cobots. This enables us to pursue our overall business strategy focused on continue strengthening R&D in cobot technologies and our business strategy to improve the adaptability of our cobot products across diverse application scenarios.

The following table sets forth further details of our implementation plans to deepen our R&D capabilities from 2026 to 2030, based on our current estimation, which is subject to changes based on our actual needs and market conditions at the relevant time.

	For the year ended December 31,				
	2026	2027	2028	2029	2030
Estimated total number of additional R&D personnel to be recruited for each of the major R&D project					
– Enhance HRC Embodied Intelligence Control Platform	60	83	117	164	230
– Further tailor products and extend reach to specific downstream application scenarios	40	56	79	111	155
– Develop and upgrade proprietary key components for cobots	40	56	79	111	155
– Develop core motion components for humanoid robots	40	56	79	111	155
– Continue to develop the next-generation high-performance cobots	40	56	79	111	155
Total estimated number of R&D personnel	**220**	**307**	**433**	**608**	**850**

	For the year ended December 31,				
	2026	2027	2028	2029	2030
Estimated allocation of net proceeds					
			(HK$ in millions)		
– Recruit and remunerate R&D personnel	72.0	100.4	155.8	218.8	305.9
– Purchase R&D material, hardware and software	34.5	34.5	34.5	34.5	34.5
Total	**106.5**	**135.0**	**190.3**	**253.3**	**340.4**

The materials, hardware and software we plan to purchase for our R&D activities include (i) a large quantity of materials such as screws, power boards, silicon steel sheets and surface mount resistors used across R&D projects; (ii) five sets of large model training servers for developing advanced algorithms and models for various R&D purposes; (iii) five sets of AI embodied intelligence model training servers for enhancing our embodied intelligence platform with advanced functions; (iv) five multi-beam laser interferometers motion platform testing equipment for testing products and components related to precision motion platforms; (v) five sets of workbenches of mechanics simulation modules for the engineering of various components and products across R&D projects; and (vi) other hardware and software for R&D and laboratory activities.

- Approximately 20.0% of the net proceeds, or approximately HK$256.1 million, will be used for our overseas business development to strengthen our market leadership in the next five years, facilitating our business strategy of strengthening sales channels and advancing market expansion. In particular, we plan to (i) increase our market coverage by (a) expanding our sales and marketing team. We aim to recruit additional personnel for our sales and marketing activities in China, the United States, Germany, Japan and other locations, mainly Malaysia. We will recruit sales and marketing talents with bachelor's degrees or higher in international trade or engineering, with proficiency in English and a local language, at least two years of sales experience in a related industry, and a solid understanding of foreign trade and robotics; and (b) establishing overseas subsidiaries in Germany and Japan to further expand our overseas business in and centered around these locations and creating a localized sales and service network to improve our local sales and services capabilities; and (ii) further strengthen our advantages and enhance our brand awareness in overseas markets by (a) enhancing collaboration with strategic overseas customers. We prioritize selecting enterprises that possess long-standing technical expertise and/or extensive sales channels in specific sectors with years of experiences in the robotics industry. This includes companies with a robust customer base in automation and traditional industrial robotics, as well as those with significant sales channel resources and technical proficiency in precision motion. We aim to strengthen our collaboration with existing strategic overseas customers while proactively seeking to expand our network by attracting new strategic overseas customers; and (b) actively promoting our brand through online channels and participating in international exhibitions. Upon investing in above agenda, we anticipate a stronger market recognition across key international markets, and, among other things, anticipate increases in our revenue and gross profit and an increase in our selling and distribution expenses.

The following table sets forth the details of our implementation plans to strengthen sales channels and advance market expansion from 2026 to 2030, based on our current estimation, which is subject to changes based on our actual needs and market conditions at the relevant time.

	For the year ended December 31,				
	2026	2027	2028	2029	2030
Estimated total number of additional sales and marketing personnel to be recruited for each of the major geographic region					
– China	60	70	80	80	80
– United States	6	8	11	11	11
– Germany	8	10	14	14	14
– Japan	4	8	12	12	12
– Others (mainly Malaysia)	5	5	5	5	5
Total estimated number of additional sales and marketing personnel to be recruited	**83**	**101**	**122**	**122**	**122**
Estimated allocation of net proceeds					
	(HK$ in millions)				
– Recruit and remunerate sales and marketing personnel	50.6	63.0	71.9	74.6	74.6
– Pay rents for offices of overseas subsidiaries	4.4	4.4	4.4	4.4	4.4
– Pay for online brand promotion and expenses for engaging with strategic customers and participating in international exhibitions	3.3	3.3	3.3	3.3	3.3
Total	**58.2**	**70.7**	**79.5**	**82.2**	**82.2**

- Approximately 15.0% of the net proceeds, or approximately HK$192.1 million, will be used for upgrading and expanding our production capabilities in the next five years. Upon investing in the upgrading and expansion of our production capabilities, we anticipate, among others, increases in property, plant and equipment and right-of-use assets and an increase in cash flow used in investing activities. Upon commencement of operations of the upgraded and expanded production facility, we anticipate, among others, increases in our revenue, gross profit and operating cash inflow. In particular:

  (i) Approximately 10.0% of the net proceeds, or approximately HK$128.0 million, will be used for expanding our production facility. During the Track Record Period, we manufactured and produced our products primarily at our production facility. In 2024, the utilization rate of our production facility in Foshan, Guangdong reached over 85%. We plan to further expand our production facility and increase our production capacity to fulfill the production needs as our business continues to grow. Specifically, we plan to construct a new production facility. The net proceeds will be used for constructing buildings and installing supporting facilities. This involves paying for the material costs and utility expenses during the design, construction as well as exterior and interior fitting-out of relevant buildings, and installing supporting facilities such as the ventilation, power and fire safety systems. To construct and operate the new production facility, as advised by our PRC Legal Advisor, we will need to obtain land use right certificate, construction land use planning permit, construction planning permit, investment project filing, environmental impact assessment approval and work safety acceptance report. We are committed to diligently completing the requisite filing processes and securing the necessary approvals within the appropriate time frames. Such construction is currently at planning phase, with production and building operations yet to commence. We anticipate starting construction in the first half of 2026, with the two phases designed for a total annual production capacity of 40,000 units to be completed by the end of 2027. We expect the utilization rate of this facility to reach 70% in 2028, gradually increasing in the following years. We plan to source the remaining funding required for the construction of the production facility from cash generated from operating activities as well as bank and other borrowings.

The following table sets forth further details of our new facility to be constructed in Foshan, Guangdong Province.

Expected Start and Complete Time of Construction	Expected Time of First Being Operational	Expected Designed Annual Production Capacity	Expected Capacity Utilization Rate
		(units)	
Start in May 2026 and complete towards the end of 2026 (Phase I) .	2027 (Phase I Operational)	20,000	Approximately 70% in 2027, and gradually increase to 100%
Start in May 2027 and complete towards the end of 2027 (Phase II) .	2028 (Phase II Operational)	20,000	Approximately 70% in 2028, and gradually increase to 100%

(ii) Approximately 5.0% of the net proceeds, or approximately HK$64.0 million, will be used for (a) acquiring advanced production equipment, such as automated production machinery and tools; (b) upgrading our production lines; and (c) further enhancing our digitalized production systems to further enhance our production capacity as well as efficiency.

The following table sets forth the details of advanced production machinery/equipment/software we plan to purchase for our upgraded production lines.

Type of machinery/equipment/software	Intended use	Useful life	Whether we have similar machinery/equipment in use and, if yes, their remaining useful life
For existing production facility			
Automated assembly lines	Automated assembly for all components and products	10 years	Yes for the existing production facility, with five years of remaining life.
Automated handling equipment. . .	Automated moving and handling for all inventories	Five years	Yes for the existing production facility, with three years of remaining life.
Laser tracker and precision testing laboratory.	Functionality test for all products	10 years	Yes for the existing production facility, with 10 years of remaining life.
Automated motor assembly lines. .	Automated assembly for all motor in components and products	10 years	Yes for the existing production facility, with five years of remaining life.
Others	Hardware and software for production	Seven to 10 years	No
For new production facility			
Automated assembly lines	Automated assembly for all components and products	10 years	No
Quality testing laboratories	Quality testing for all inventories	10 years	No
Automated warehousing equipment	Intelligent warehousing for all inventories	10 years	No
Laser tracker and precision testing laboratory.	Functionality test for all products	10 years	No
Others	Hardware and software for production	Five to 10 years	No

The following table sets forth the breakdown of net proceeds allocated to upgrade and expand our production capabilities from 2026 to 2030, based on our current estimation, which is subject to changes based on our actual needs and market conditions at the relevant time.

	For the year ended December 31,				
	2026	2027	2028	2029	2030
	(HK$ in millions)				
Expand production facility	162.9	40.7	–	–	–
Upgrade existing production facility	15.2	15.2	15.2	15.2	15.2
Total	**178.1**	**55.9**	**15.2**	**15.2**	**15.2**

- Approximately 10.0% of the net proceeds, or approximately HK$128.0 million, will be used for working capital and general corporate purposes.

The additional net proceeds that we would receive if the Offer Size Adjustment Option were exercised in full would be approximately HK$206.0 million (assuming an Offer Price of HK$17.00 per Share.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be approximately HK$236.9 million (assuming an Offer Price of HK$17.00 per Share. The additional amount raised will be applied to the above areas of use of proceeds on a pro rata basis.

To the extent that the net proceeds from the Global Offering are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes, we will only deposit the net proceeds into short-term interest-bearing accounts 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). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

China International Capital Corporation Hong Kong Securities Limited
Deutsche Bank AG, Hong Kong Branch
Futu Securities International (Hong Kong) Limited
Zheshang International Financial Holdings Co., Limited

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 4,039,400 Hong Kong Offer Shares and the International Offering of initially 76,745,600 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" as well as to the Offer Size Adjustment Option and the Over-Allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering initially 4,039,400 Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this Prospectus at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be converted from Unlisted Shares and to be offered pursuant to the Global Offering as mentioned herein and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally and not jointly to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement. The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

For applicants applying under the Hong Kong Public Offering, this Prospectus contains the terms and conditions of the Hong Kong Public Offering. The International Offering is expected to be fully underwritten by the International Underwriters.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. If at any time prior to 8:00 a.m. on the day that trading in the H Shares commences on the Stock Exchange:

(i) there develops, occurs, exists or comes into force:

  a) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Authority in or affecting Hong Kong, the PRC, the United States, or other jurisdictions relevant to the Group or the Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

b) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

c) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or

d) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or

e) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

f) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or

g) the commencement by any Authority or other regulatory or political body or organization of any public action or investigation against a Group Company or a director or a senior management member of any Group Company or announcing an intention to take any such action; or

h) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any Group Company or any of the Controlling Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

i) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or

j) any non-compliance of the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or

k) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Controlling Shareholder or any Director or senior management members as named in the Prospectus; or

l) any contravention by any Group Company or any Director of the Listing Rules or applicable Laws; or

m) that the Chairman of the Board, any Director or any member of senior management of the Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office; or

n) any Director or any member of senior management of the Company named in the Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or

o) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in the Prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

i. has or will or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company or the Group as a whole;

ii. has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or

iii. makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Prospectus, the formal notice, post-hearing information pack, the registration statement, the disclosure package, the preliminary offering circular, the offering circular, any other announcement, document, materials, communications or information made, issued, given, released, arising out of or used in connection with or in relation to the contemplated offering and sale of the Offer Shares or otherwise in connection with the Global Offering, including, without limitation, any investor presentation materials relating to the Offer Shares and, in each case, all amendments or supplements thereto, whether or not approved by the Joint Sponsors, the Overall Coordinators or any of the Underwriters and Offering Documents (the "**Offering Documents**"); or

iv. has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(ii) there has come to the notice of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:

a) any statement contained in any of the Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the "**Global Offering Documents**") was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any Global Offering Document; or

c) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by the Company, Mr. Wang, Mr. Zhang or Zhirentuan in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

d) any event, act or omission which gives rise or is likely to give rise to any liability of any of the indemnifying parties pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

e) any breach of any of the obligations or undertakings imposed upon the Company or Mr. Wang, Mr. Zhang or Zhirentuan or any cornerstone investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or

f) there is any change or development involving a prospective change, constituting or having a material adverse effect or any development involving a prospective material adverse effect, on the profits, losses, results of operations, assets, liabilities, general affairs, business, management, performance, prospects, shareholders' equity, position or condition (financial, trading or otherwise) of the Group, taken as a whole; or

g) the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

h) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including the additional H Shares which may be issued pursuant to any exercise of the Offer Size Adjustment Option and/or the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

i) any expert (other than any of the Joint Sponsors) has withdrawn its consent to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

j) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including the shares to be issued pursuant to the Offer Size Adjustment Option and/or the Over-allotment Option) pursuant to the terms of the Global Offering; or

k) an order or petition is presented for the winding-up or liquidation of the Company, or the Company makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of the Company or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of the Company or anything analogous thereto occurs in respect of the Company; or

l) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws; or

m) that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise,

then, in each case, the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that no further H Shares or securities convertible into H Shares (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of shares or securities will be completed within six months from the Listing Date), except for:

(a) the issue of shares, the listing of which has been approved by the Stock Exchange, pursuant to a share option scheme under Chapter 17 of the Listing Rules;

(b) any capitalization issue, capital reduction or consolidation or sub-division of H Shares;

(c) issue of H Shares or securities pursuant to the Global Offering (including any exercise of the Offer Size Adjustment Option or the Over-Allotment Option); and

(d) any other applicable circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings by Controlling Shareholders, Key Persons and Pathfinder SIIs

Pursuant to Rules 18C.13 and 18C.14 of the Listing Rules, each of Controlling Shareholders, key persons of the Company and the Pathfinder SIIs, and their respective close associates, as identified under the section headed "History, Development and Corporate Structure — Lock-up Periods", has undertaken to the Stock Exchange and to us that, except pursuant to the Global Offering (including the Offer Size Adjustment Option and the Over-allotment Option), it will not, unless otherwise permitted under Rule 18C.15 of the Listing Rules: at any time in the period commencing on the date by reference to which disclosure of its shareholding is made in this Prospectus and ending on the date which is 12 months (or 6 months in the case of the Pathfinder SIIs) from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the H Shares in respect of which it is shown by this Prospectus to be the beneficial owner.

Note 2 to Rule 18C.14 of the Listing Rules provides that the above undertakings do not prevent such persons from using the H Shares beneficially owned by it/him/her as security (including a charge or pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

Further, pursuant to Note 2 to 18C.14 of the Listing Rules, each of such persons has undertaken to the Stock Exchange and to us that, within the period commencing on the date by reference to which disclosure of its shareholding is made in this Prospectus and ending on the date which is 12 months (or 6 months in the case of the Pathfinder SIIs) from the Listing Date:

(a) when it pledges or charges any H Shares beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, immediately inform us and the Stock Exchange of such pledge or charge together with the number of H Shares so pledged or charged; and

(b) when it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged H Shares will be disposed of, immediately inform us and the Stock Exchange of such indications.

We will inform the Stock Exchange as soon as we have been informed of the above matters, if any, by such persons and disclose such matters as soon as possible after being so informed.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

The Company has undertaken to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Syndicate Capital Market Intermediaries and the Hong Kong Underwriters that except pursuant to the Global Offering (including the Offer Size Adjustment Option and the Over-allotment Option), at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months from the Listing Date (the "**First Six-Month Period**"), it will not, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(i) allot, issue, repurchase, sell, accept subscription for, offer to allot, issue, repurchase or sell, contract or agree to allot, issue, repurchase or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue, repurchase or sell, or otherwise transfer or dispose of or create an encumbrance (an "**Encumbrance**") over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in any equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any securities of the Company), or deposit any equity securities of the Company with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any equity securities of the Company or any interest in any of the foregoing (including, without limitation, any equity securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any securities of the Company); or

(iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or

(iv) offer to or agree to do any of the foregoing or announce any intention to do so, in each case, whether any of the foregoing transactions is to be settled by delivery of such securities, in cash or otherwise (whether or not the issue of such securities will be completed within the First Six-Month Period). In the event that, at any time during the period of six months immediately following the expiry of the First Six-Month Period (the "**Second Six-Month Period**"), the Company enters into any of the transactions specified in (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transactions, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the H Shares or any other securities of the Company. The Controlling Shareholders have jointly and severally undertaken to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Syndicate Capital Market Intermediaries and the Hong Kong Underwriters to procure the Company to comply with the undertakings herein.

Undertakings by the Controlling Shareholders

The Controlling Shareholders have jointly and severally undertaken to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Syndicate Capital Market Intermediaries and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, each of them will not, and will procure that none of the relevant registered holder(s) or the relevant affiliates, close associates or companies controlled by them will, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is 12 months after the Listing Date ("**12-Month Period**"):

(a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of the Company or any legal or beneficial interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any H Shares or other securities of the Company) beneficially owned by it (the "**Locked-up Securities**");

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Locked-up Securities;

(c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above, or

(d) offer to or contract to or agree to, or publicly announce any intention to enter into any transaction specified in (a), (b) or (c) above,

in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of H Shares or such other securities of the Company, in cash or otherwise (whether or not the issue of such H Shares or other securities of the Company will be completed within the 12-Month Period).

Without limiting the above, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling 12 months after the Listing Date, the Controlling Shareholders will, and will procure the relevant registered holder(s) to, (a) if and when they or the relevant registered holder(s) pledges or charges any Locked-up Securities, immediately inform the Company in writing of such pledge or charge together with the number of Locked-up Securities so pledged or charged; and (b) if and when they or the relevant registered holder(s) receives any indication, either verbal or written, from any pledgee or chargee that any of the pledged or charged Locked-up Securities will be disposed of, immediately inform the Company in writing of such indications.

Provided nothing in these undertakings shall prevent Controlling Shareholders from using the Locked-up Securities as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

The Company has undertaken that, as soon as practicable upon receiving such information in writing from Controlling Shareholders and if required pursuant to the Listing Rules, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement.

Indemnity

Our Company has agreed to indemnify, among others, the Joint Sponsors, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Syndicate Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement, as the case may be.

Hong Kong Underwriters' Interests in our Company

Except for its obligations under the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding interest in our Company or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

The International Offering

In connection with the International Offering, it is expected that the Company will enter into the International Underwriting Agreement with the International Underwriters on March 26, 2026. Under the International Underwriting Agreement and subject to the Over-Allotment Option, the International Underwriters will, subject to certain conditions set out therein, severally and not jointly, agree to subscribe for or purchase or procure subscribers or purchasers for their respective proportions of the International Offer Shares which are not taken up under the International Offering. See "Structure of the Global Offering — The International Offering."

Offer Size Adjustment Option

The Company is expected to grant to the Overall Coordinators the Offer Size Adjustment Option, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) on or before the second Business Day prior to the Listing Date and will lapse immediately thereafter, whichever is earlier, in writing, to require our Company to allot and issue up to an aggregate of 12,117,600 additional Offer Shares, representing approximately 15% of the initial Offer Shares in aggregate, at the same price per Share under the International Offering to cover, among other things, any excess demand in the International Offering at the absolute discretion of the Overall Coordinators. The Offer Size Adjustment Option provides flexibility for the Overall Coordinators to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand. See "Structure of the Global Offering — Offer Size Adjustment Option."

Over-Allotment Option

The Company is expected to grant to the International Underwriters the Over-Allotment Option, exercisable by the Overall Coordinators on behalf of the International Underwriters during the 30-day period from the last day for lodging of applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 13,935,200 additional Offer Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full) or up to an aggregate of 12,117,600 additional Offer Shares, representing approximately 15% of the number of Offer Shares being offered under the Global Offering (assuming the Offer Size Adjustment Option is not exercised). It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed. See "Structure of the Global Offering — The International Offering — Over-Allotment Option."

Commissions and Expenses

All Capital Market Intermediaries participating in the Global Offering will receive an underwriting commission equivalent to 2.25% (the "**Fixed Fees**") of the aggregate Offer Price payable in respect of all of the Offer Shares (including any Offer Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) (the "**Gross Proceeds**") and an additional discretionary incentive fee, in the Company's sole discretion, up to 1.75% (the "**Discretionary Fees**") of the Gross Proceeds. The ratio of Fixed Fees and Discretionary Fees payable to all Capital Market Intermediaries is therefore 56.25:43.75.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the Company will pay the underwriting commission for such H Shares to the International Underwriters (but not the Hong Kong Underwriters).

The aggregate amount of sponsor fee payable by the Company to the Joint Sponsors is US$800,000.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$92.9 million (assuming the full payment of the Discretionary Fees and the Offer Size Adjustment Option and the Over-allotment Option are not fully exercised) and will be paid by the Company.

Offer Size Adjustment Option, Over-Allotment and Stabilization

Details of the arrangements relating to the Offer Size Adjustment Option, the Over-Allotment Option and stabilization are set forth in the section headed "Structure of the Global Offering."

INDEPENDENCE OF THE JOINT SPONSORS

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

The Underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in "*Structure of the Global Offering*." Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilizing Manager through its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to us and our affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. China International Capital Corporation Hong Kong Securities Limited and Deutsche Bank AG, Hong Kong Branch are the Joint Overall Coordinators of the Global Offering.

80,785,000 Offer Shares will be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of 4,039,400 H Shares (subject to reallocation) in Hong Kong as described in the paragraph headed "— The Hong Kong Public Offering" below; and

(b) the International Offering of an aggregate of initially 76,745,600 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-Allotment Option) outside the United States in reliance on Regulation S, as described in the paragraph headed "— The International Offering" below.

Investors may either:

(a) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(b) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 15.20% of the total H Shares in issue immediately following the completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-Allotment Option are not exercised. If the Offer Size Adjustment Option and the Over-allotment Option are both exercised in full, the Offer Shares (including H Shares issued pursuant to the full exercise of the Offer Size Adjustment Option and the Over-allotment Option) will represent approximately 19.16% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Offer Size Adjustment Option and the Over-allotment Option.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

The Company is initially offering 4,039,400 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 5% of the total number of Offer Shares initially available under the Global Offering. The number of Shares offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 0.76% of the enlarged share capital of the Company immediately following the completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-Allotment Option are not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed "— Conditions of the Global Offering" below.

Allocation

Allocation of the Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of the Offer Shares initially available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) is to be divided into two pools (with any odd lots being allocated to pool A), pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable) and up to the total value in pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are undersubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for the Offer Shares means the price payable on application therefore. Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 2,019,600 Hong Kong Offer Shares, being approximately 50% of the 4,039,400 Hong Kong Offer Shares initially available under the Hong Kong Public Offering are liable to be rejected.

Reallocation and Clawback

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 and 18C.09 of the Listing Rules requires a clawback mechanism to put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached ("**Mandatory Reallocation**"):

(a) 4,039,400 Offer Shares available in the Hong Kong Public Offering, representing approximately 5% of the Offer Shares initially available under the Global Offering;

in the event that the Hong Kong Offer Shares are fully subscribed or oversubscribed

(b) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 10 times or more but less than 50 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering such that the total number of Offer Shares initially available under the Hong Kong Public Offering will be 8,078,600 Offer Shares, representing approximately 10.00% of the Offer Shares initially available under the Global Offering; and

(c) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the Offer Shares will be reallocated to the Hong Kong

Public Offering from the International Offering such that the total number of Offer Shares initially available under the Hong Kong Public Offering will be 16,157,000 Offer Shares, representing 20.00% of the Offer Shares initially available under the Global Offering.

in the event that the Hong Kong Offer Shares are not fully subscribed

(e) If the Hong Kong Public Offering is not fully subscribed for, the Overall Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators deems appropriate, and the Allocation Cap as defined in and stated under Chapter 4.14 of the Guide for New Listing Applicants will not be triggered;

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate. In addition, the Overall Coordinators may reallocate the Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

In addition to any Mandatory Reallocation which may be required, the Overall Coordinators (for themselves and on behalf of the Underwriters) may, at their discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in pool A and pool B under the Hong Kong Public Offering. In the event that (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed as to less than 10 times of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering, and certain Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 8,078,600 Offer Shares, representing approximately 10% of the Offer Shares initially available under the Hong Kong Public Offering (before any exercise of the Offer Size Adjustment Option or the Over-Allotment Option), in accordance with Chapter 4.14 of the Guide for New Listing Applicants issued by the Stock Exchange.

The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Overall Coordinators.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering. Such applicant's application in the International Offer is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

The listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK$17.00 per Offer Share in addition to the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable on each Offer Share.

References in this Prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of Offer Shares Initially Offered

Subject to the Offer Size Adjustment Option, the Over-Allotment Option and reallocation as described above, the International Offering will consist of an offering of initially 76,745,600 H Shares, representing approximately 95% of the total number of Offer Shares initially available under the Global Offering and approximately 14.44% of the total H Shares in issue immediately after the completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-Allotment Option are not exercised.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States only in reliance on Regulation 144A/S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "— Pricing of the Global Offering" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Company and the Shareholders as a whole. In addition, pursuant to Rule 18C.08 of the Listing Rules, at least 50% of the total number of shares offered in the Global Offering (excluding any shares to be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) will be taken up by independent price setting investors, as defined under the Listing Rules, in the International Offering.

The Joint Overall Coordinators (on behalf of the Underwriters) may require any investor who has been offered the Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Overall Coordinators so as to allow them to identify the relevant application under the Hong Kong Public Offering and to ensure that it is excluded from any application of Offer Shares under the International Offering.

Reallocation and Clawback

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of, amongst others, the clawback arrangement described in the paragraph headed "— The Hong Kong Public Offering — Reallocation and Clawback" above, the exercise of the Offer Size Adjustment Option and the Over-Allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

Offer Size Adjustment Option

In order to provide flexibility for the Overall Coordinators to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand, the Company is expected to grant to the International Underwriters the Offer Size Adjustment Option, exercisable by the Overall Coordinators at their absolute discretion (on behalf of the International Underwriters) on or before the second business day prior to the Listing Date and will lapse immediately thereafter, to require the Company to allot and issue up to an aggregate of 12,117,600 additional H Shares, representing approximately 15% of the initial number of Offer Shares offered under the Global Offering, at the Offer Price to cover any excess demand in the International Offering.

If the Offer Size Adjustment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 2.23% of our issued share capital immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and the full exercise of the Offer Size Adjustment Option.

In considering whether to exercise the Offer Size Adjustment Option, the Overall Coordinators will take into account a number of factors, including, among other things: (i) whether the level of interest expressed by prospective professional and institutional investors during the book-building process under the International Offering is sufficient to cover: (a) the total number of Offer Shares, which represents the aggregate of the Offer Shares initially available under the Global Offering and the additional Offer Shares upon any exercise of the Offer Size Adjustment Option; and (b) the corresponding number of Shares under the Over-allotment Option; (ii) the prices at which prospective professional and institutional investors have indicated they would be prepared to acquire the Offer Shares in the course of the book-building process; (iii) the quality of investors, with a view to establishing a solid professional institutional and investor shareholder base to the benefit of the Company and its Shareholders as a whole; and (iv) general market conditions.

The dilution effect of the Offer Size Adjustment Option (assuming the Over-allotment Option is not exercised) is set out below:

Number of H Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option ("Original Subscribers")	Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option	Number of H Shares issued under the Global Offering after the exercise of the Offer Size Adjustment Option	Approximate percentage of total issued share capital held by the Original Subscribers after the exercise of the Offer Size Adjustment Option
80,785,000	15.20%	92,902,600	14.86%

The Offer Size Adjustment Option will not be used for price stabilization purposes and will not be subject to the provisions of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). The Offer Size Adjustment Option will be in addition to the Over-allotment Option.

If the Offer Size Adjustment Option is exercised in full, the additional net proceeds received from the placing of the additional Shares allotted and issued will be allocated in accordance with the allocations as disclosed in the section headed "Future Plans and Use of Proceeds" in this prospectus, on a pro rata basis.

The Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, or will confirm that if the Offer Size Adjustment Option has not been exercised, it will lapse and cannot be exercised at any future date.

Over-Allotment Option

In connection with the Global Offering, the Company is expected to grant an Over-Allotment Option to the International Underwriters exercisable by the Overall Coordinators on behalf of the International Underwriters.

Pursuant to the Over-Allotment Option, the International Underwriters have the right, exercisable by the Overall Coordinators (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last date for the lodging of applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 12,117,600 additional Offer Shares at the Offer Price (representing in aggregate approximately 15% of the Offer Shares initially being offered under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 13,935,200 additional H Shares (representing approximately 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) to, cover over allocations in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 2.23% of our issued share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option (assuming the Offer Size Adjustment Option is not exercised), or approximately 2.50% of our issued share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option (assuming the Offer Size Adjustment Option is exercised in full). In the event that the Over-Allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent, a decline in the market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager through its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the H Shares for a limited period after the Listing Date at a level higher than that which might otherwise prevail in the open market. Short sales involve the sale by the Stabilizing Manager through its affiliates of a greater number of H Shares than the Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-Allotment Option. The Stabilizing Manager through its affiliates may close out the covered short position by either exercising the Over-Allotment Option to purchase additional H Shares or purchasing H Shares in the open market. In determining the source of the H Shares to close out the covered short position, the Stabilizing Manager through its affiliates will consider, among others, the price of H Shares in the open market as compared to the price at which they may purchase additional H Shares pursuant to the Over-Allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the H Shares while the Global Offering is in progress. Any market purchases of the H Shares may be effected on any stock exchange, including the Stock Exchange, any over-the-counter market or otherwise, **provided that** they are made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager through its affiliates or any person acting for it to conduct any such stabilizing action, which if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager through its affiliates or any person acting for it, (b) may be discontinued at any time, and (c) is required to be brought to an end within 30 days after the last day for the lodging of applications under the Hong Kong Public Offering. The number of Shares that may be over-allocated will not exceed the number of Shares that may be sold under the Over-allotment Option, being 13,935,200 Shares (representing approximately 15% of the Offer Shares available under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) or being 12,117,600 Shares (representing approximately 15% of the number of Offer Shares being offered initially under the Global Offering assuming the Offer Size Adjustment Option is not exercised).

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules. Stabilizing actions permitted pursuant to the Securities and Futures (Price Stabilizing) Rules include:

(a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares;

(b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any deduction in the market price of the H Shares;

(c) subscribing, or agreeing to subscribe, for the H Shares to be sold and transferred pursuant to the exercise of the Over-Allotment Option in order to close out any position established under (a) or (b) above;

(d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares;

(e) selling or agreeing to sell any H Shares to liquidate any position established as a result of those purchases; and

(f) offering or attempting to do anything described in (b), (c), (d) and (e) above.

Stabilizing actions by the Stabilizing Manager through its affiliates, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization.

Prospective applications for investors in the Offer Shares should note that:

(a) as a result of effecting transactions to stabilize or maintain the market price of the H Shares, the Stabilizing Manager through its affiliates, or any person acting for it, may maintain a long position in the H Shares;

(b) the size of the long position, and the period for which the Stabilizing Manager through its affiliates, or any person acting for it, will maintain the long position is at the discretion of the Stabilizing Manager through its affiliates and is uncertain;

(c) liquidation of any such long position by the Stabilizing Manager through its affiliates and selling in the open market may lead to a decline in the market price of the H Shares;

(d) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilizing period, which begins on the Listing Date, and is expected to expire on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and their market price, could fall after the end of the stabilizing period. These activities by the Stabilizing Manager through its affiliates may stabilize, maintain or otherwise affect the market price of the H Shares. As a result, the price of the H Shares may be higher than the price that otherwise may exist in the open market;

(e) any stabilizing action taken by the Stabilizing Manager through its affiliates, or any person acting for it, may not necessarily result in the market price of the H Shares staying at or above the Offer Price either during or after the stabilizing period; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at a price at or below the Offer Price and therefore at or below the price paid by applicants for, or investors in, the Offer Shares.

An announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period.

PRICING OF THE GLOBAL OFFERING

The International Underwriters will be soliciting from prospective investor indications of interest in acquiring International Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of International Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price will be HK$17.00 per Offer Share unless otherwise announced.

The Overall Coordinators, on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of the Company, reduce the number of Offer Shares offered in the Global Offering that stated in this Prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be posted on the website of the Stock Exchange (**www.hkexnews.hk**) and on the website of the Company (**www.huayan-robotics.com**) notices of the reduction. Upon issue of such a notice, the number of Offer Shares offered in the Global Offering will be final and conclusive. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in the Prospectus and any other financial information which may change materially as a result of such reduction. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental Prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental Prospectus.

Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so published, the number of Offer Shares will not be reduced.

If there is any change to the offer size due to change in the number of Offer Shares initially offered under the Global Offering (other than pursuant to the Offer Size Adjustment Option, the Over-allotment Option and/or the reallocation mechanism as disclosed in this Prospectus), or if our Company becomes aware that there has been a significant change affecting any matter contained in this Prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this Prospectus if it had arisen before this Prospectus was issued, after the issue of this Prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering, issue a supplemental or new prospectus and relaunch the offering on FINI pursuant to the supplemental or new prospectus.

The level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocation in the Hong Kong Public Offering are expected to be announced on Friday, March 27, 2026 through a variety of channels in the manner described in the section headed "How to apply for the Hong Kong Offer Shares — B. Publication of Results."

HONG KONG UNDERWRITING AGREEMENT

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around March 26, 2026.

These underwriting arrangements, and the respective Underwriting Agreements, are summarized in the section headed "Underwriting."

H SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(i) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be converted from Domestic Unlisted Shares and to be issued pursuant to the Global Offering and such approval not having been withdrawn;

(ii) the execution and delivery of the International Underwriting Agreement on or around Thursday, March 26, 2026; and

(iii) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

In each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this Prospectus.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company on the website of the Stock Exchange (**www.hkexnews.hk**) and the website of the Company (**www.huayan-robotics.com**) on the next day following such lapse. In such event, all application monies will be returned, without interest, on the terms set out in the section headed "How to apply for the Hong Kong Offer Shares."

In the meantime, all application monies will be held in (a) separate bank account(s) with the receiving banker or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

H Share certificates for the Offer Shares only become valid evidence of title at 8:00 a.m. on Monday, March 30, 2026 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting — Underwriting arrangements and expenses — The Hong Kong Public Offering — Grounds for Termination" has not been exercised at or before that time.

DEALING IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, March 30, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, March 30, 2026. The H Shares will be traded in board lots of 200 H Shares each and the stock code of the H Shares will be 1021.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.huayan-robotics.com.

The contents of this Prospectus are identical to the Prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (for the ***HK eIPO White Form*** *service* only).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates;
- are a Director or any of his/her close associates; or
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Friday, March 20, 2026 and end at 12:00 noon on Wednesday, March 25, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service .	**www.hkeipo.hk**	Applicants who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Friday, March 20, 2026 to 11:30 a.m. on Wednesday, March 25, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Wednesday, March 25, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Applicants who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **HK eIPO White Form** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under **HK eIPO White Form** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this Prospectus, as supplemented and amended by the terms and conditions of **HK eIPO White Form** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this Prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this Prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. Legal entity identifier ("LEI") registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong Address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Joint Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size . . . . 200 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment . . . .

Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The Offer Price is HK$17.00 per Share.

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

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

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

No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
200	3,434.29	4,000	68,685.78	60,000	1,030,286.70	800,000	13,737,156.00
400	6,868.57	5,000	85,857.23	70,000	1,202,001.16	900,000	15,454,300.50
600	10,302.88	6,000	103,028.66	80,000	1,373,715.60	1,000,000	17,171,445.00
800	13,737.16	7,000	120,200.11	90,000	1,545,430.06	1,500,000	25,757,167.50
1,000	17,171.45	8,000	137,371.55	100,000	1,717,144.50	2,019,600[(1)]	34,679,450.33
1,200	20,605.73	9,000	154,543.00	200,000	3,434,289.00		
1,400	24,040.02	10,000	171,714.46	300,000	5,151,433.50		
1,600	27,474.31	20,000	343,428.90	400,000	6,868,578.00		
1,800	30,908.61	30,000	515,143.36	500,000	8,585,722.50		
2,000	34,342.89	40,000	686,857.80	600,000	10,302,867.00		
3,000	51,514.34	50,000	858,572.26	700,000	12,020,011.50		

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply for any Offer Shares.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("**Best Practice Note**") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorise us and/or the Joint Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this Prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this Prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this Prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Joint Sponsors, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering (the "**Relevant Persons**"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this Prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes and 4. Transfer of personal data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this Prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Joint Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC or the **HK eIPO White Form** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **HK eIPO White Form** service or **HKSCC EIPO channel**:		
Website	From the "Allotment Results" page at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Friday, March 27, 2026 to 12:00 midnight on Thursday, April 2, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result**.	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.huayan-robotics.com** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Friday, March 27, 2026 (Hong Kong time)
Telephone . . .	+852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Monday, March 30, 2026 to Thursday, April 2, 2026, (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Thursday, March 26, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Thursday, March 26, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the level of indications of interest in the Global Offer, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.huayan-robotics.com** by no later than 11:00 p.m. on Friday, March 27, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Joint Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Joint Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the Global Offer. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Monday, March 30, 2026 (Hong Kong time), provided that the Global Offer has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of H Share certificate(1)		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person from the H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong **Time:** from 9:00 a.m. to 1:00 p.m. on Monday, March 30, 2026 (Hong Kong time)	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required

	HK eIPO White Form service	HKSCC EIPO channel
	If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. **Note:** If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	
For application of less than 1,000,000 Hong Kong Offer Shares .	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk **Date:** Friday, March 27, 2026	

Refund mechanism for surplus application monies paid by you

Date	Monday, March 30, 2026	Subject to the arrangement between you and your broker or custodian
Responsible party . . .	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**HK eIPO White Form** e-Auto Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to in favour of the applicant (or, in the case of joint applications, the first-named applicant) the address as specified in your application instructions by ordinary post at your own risk	

Note:

(1) Except in the event of Bad Weather Signals (as defined below) in force in Hong Kong in the morning on Friday, March 27, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— E. Bad Weather Arrangements" in this section.

E. BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Wednesday, March 25, 2026 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, "**Bad Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, March 25, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Bad Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this Prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.huayan-robotics.com** of the revised timetable.

If a Bad Weather Signal is hoisted on Friday, March 27, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Monday, March 30, 2026.

If a Bad Weather Signal is hoisted on Friday, March 27, 2026, for application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Friday, March 27, 2026 or on Monday, March 30, 2026.

If a Bad Weather Signal is hoisted on Monday, March 30, 2026, for application of 1,000,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar's office after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Monday, March 30, 2026 or on Tuesday, March 31, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this Prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;

- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate Information" in this Prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUANGDONG HUAYAN ROBOTICS CO., LTD., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND DEUTSCHE SECURITIES ASIA LIMITED

INTRODUCTION

We report on the historical financial information of Guangdong Huayan Robotics Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-87, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024, and the nine months ended 30 September 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 30 September 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-87 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 20 March 2026 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 and 30 September 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the nine months ended 30 September 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong

20 March 2026

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Nine months ended 30 September	
	Notes	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
REVENUE	*5*	109,442	175,380	310,441	206,224	280,880
Cost of sales		(94,436)	(125,150)	(204,008)	(136,988)	(175,328)
Gross profit		15,006	50,230	106,433	69,236	105,552
Other income and gains	*5*	13,450	105,596	15,372	12,904	10,090
Selling and distribution expenses		(31,944)	(60,450)	(41,941)	(30,146)	(39,315)
Administrative expenses		(21,740)	(45,997)	(12,543)	(9,662)	(43,727)
Research and development expenses		(55,432)	(85,656)	(47,283)	(33,894)	(50,978)
(Provision for)/reversal of impairment losses on financial assets		(1,828)	688	(72)	(94)	41
Other expenses		(1,735)	(3,443)	(3,043)	(709)	(564)
Finance costs	*6*	(644)	(515)	(214)	(169)	(287)
(LOSS)/PROFIT BEFORE TAX	*7*	(84,867)	(39,547)	16,709	7,466	(19,188)
Income tax credit/(expense)	*10*	1,501	41,442	1,160	1,571	3,600
(LOSS)/PROFIT FOR THE YEAR/PERIOD		(83,366)	1,895	17,869	9,037	(15,588)
Attributable to:						
Owners of the parent		(79,528)	3,451	17,869	9,037	(15,588)
Non-controlling interests		(3,838)	(1,556)	–	–	–
		(83,366)	1,895	17,869	9,037	(15,588)
(LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*12*					
Basic and diluted (RMB per share)		(0.18)	0.01	0.04	0.02	(0.04)
(LOSS)/PROFIT FOR THE YEAR/PERIOD		(83,366)	1,895	17,869	9,037	(15,588)

	Notes	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
OTHER COMPREHENSIVE (LOSS)/INCOME						
Other comprehensive (loss)/income that may be reclassified to profit and loss in subsequent periods:						
Exchange differences:						
Exchange differences on translation of foreign operations		(2)	194	325	19	(203)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD.		(83,368)	2,089	18,194	9,056	(15,791)
Attributable to:						
Owners of the company		(79,530)	3,645	18,194	9,056	(15,791)
Non-controlling interests		(3,838)	(1,556)	–	–	–
		(83,368)	2,089	18,194	9,056	(15,791)

For the details of Pre-IPO investments, please refer to note 31 to this report.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 September
	Notes	**2022**	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	14,419	12,605	14,332	16,882
Right-of-use assets	*15*	8,524	6,287	4,206	16,179
Other intangible assets	*14*	2,575	1,866	1,452	2,252
Investment in a joint venture	*17*	–	–	–	–
Deferred tax assets	*19*	4,464	45,906	47,066	50,666
Prepayments, deposits and other receivables – non-current	*21*	1,075	430	1,964	2,123
Time deposits with original maturity of over three months	*24*	–	–	61,852	107,120
Total non-current assets		31,057	67,094	130,872	195,222
CURRENT ASSETS					
Inventories	*18*	87,994	110,716	127,978	140,374
Trade and bills receivables	*20*	47,959	69,692	111,646	134,565
Prepayments, deposits and other receivables	*21*	134,276	73,176	38,506	23,328
Financial assets at fair value through profit or loss	*22*	119,552	75,261	31,047	42,607
Financial assets at fair value through other comprehensive income	*23*	3,782	776	1,334	3,834
Time deposits with original maturity of over three months	*24*	30,471	80,024	54,624	39,114
Restricted bank deposits	*24*	–	–	36	36
Cash and cash equivalents	*24*	36,328	107,476	120,520	101,151
Total current assets		460,362	517,121	485,691	485,009
CURRENT LIABILITIES					
Trade payables	*25*	25,375	48,973	70,803	92,114
Other payables and accruals	*26*	33,729	38,116	36,640	37,577
Interest-bearing bank loans	*27*	10,000	–	–	–
Lease liabilities	*15*	2,684	2,068	2,121	3,525
Contract liabilities	*28*	7,016	10,646	6,894	4,383
Provision	*30*	606	768	1,094	1,285
Total current liabilities		79,410	100,571	117,552	138,884
NET CURRENT ASSETS		380,952	416,550	368,139	346,125
TOTAL ASSETS LESS CURRENT LIABILITIES		412,009	483,644	499,011	541,347

For the details of Pre-IPO investments, please refer to note 31 to this report.

	Notes	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 September 2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES					
Deferred income	29	421	168	427	199
Lease Liabilities	15	6,595	5,411	2,325	13,055
Total non-current liabilities		7,016	5,579	2,752	13,254
Net assets		404,993	478,065	496,259	528,093
EQUITY					
Equity attributable to owners of the parent					
Share capital	31	–	–	–	90,139
Paid-in capital	31	86,533	86,533	86,533	–
Reserves	32	318,314	391,532	409,726	437,954
		404,847	478,065	496,259	528,093
Non-controlling interests		146	–	–	–
Total equity		404,993	478,065	496,259	528,093

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to owners of the parent							
	Paid-in capital	**Capital reserve**	**Share-based payment reserve**	**Accumulated losses**	**Exchange fluctuation reserve**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 31)	*(note 32)*	*(note 33)*					
As at 1 January 2022	86,533	568,827	167,075	(350,889)	–	471,546	984	472,530
Loss for the year	–	–	–	(79,528)	–	(79,528)	(3,838)	(83,366)
Exchange differences on translation of foreign operations	–	–	–	–	(2)	(2)	–	(2)
Total comprehensive loss for the year	–	–	–	(79,528)	(2)	(79,530)	(3,838)	(83,368)
Equity-settled share award expense *(note 33)*	–	–	13,238	–	–	13,238	–	13,238
Forfeited share award *(note 33)*	–	–	(407)	–	–	(407)	–	(407)
Capital contribution by non-controlling shareholders	–	–	–	–	–	–	3,000	3,000
As at 31 December 2022	86,533	568,827*	179,906*	(430,417)*	(2)*	404,847	146	404,993

Year ended 31 December 2023

	Attributable to owners of the parent							
	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Exchange fluctuation reserve	Total	Non-controlling interests	Total equity
	RMB'000 (*note 31*)	*RMB'000* (*note 32*)	*RMB'000* (*note 33*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	86,533	568,827	179,906	(430,417)	(2)	404,847	146	404,993
Profit for the year	–	–	–	3,451	–	3,451	(1,556)	1,895
Exchange differences on translation of foreign operations	–	–	–	–	194	194	–	194
Total comprehensive income for the year	–	–	–	3,451	194	3,645	(1,556)	2,089
Equity-settled share award expense (*note 33*)	–	–	70,524	–	–	70,524	–	70,524
Forfeited share award (*note 33*)	–	–	(951)	–	–	(951)	–	(951)
Disposal of subsidiaries	–	–	–	–	–	–	1,410	1,410
As at 31 December 2023	86,533	568,827*	249,479*	(426,966)*	192*	478,065	–	478,065

Year ended 31 December 2024

	Attributable to owners of the parent					
	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Exchange fluctuation reserve	Total equity
	RMB'000 *(note 31)*	*RMB'000* *(note 32)*	*RMB'000* *(note 33)*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	86,533	568,827	249,479	(426,966)	192	478,065
Profit for the year	–	–	–	17,869	–	17,869
Exchange differences on translation of foreign operations	–	–	–	–	325	325
Total comprehensive income for the year	–	–	–	17,869	325	18,194
As at 31 December 2024	86,533	568,827*	249,479*	(409,097)*	517*	496,259

Nine months ended 30 September 2024

	Attributable to owners of the parent					
	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Exchange fluctuation reserve	Total equity
	RMB'000 *(note 31)*	*RMB'000* *(note 32)*	*RMB'000* *(note 33)*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	86,533	568,827	249,479	(426,966)	192	478,065
Profit for the period (unaudited)	–	–	–	9,037	–	9,037
Exchange differences on translation of foreign operations (unaudited)	–	–	–	–	19	19
Total comprehensive income for the period (unaudited)	–	–	–	9,037	19	9,056
As at 30 September 2024 (unaudited)	86,533	568,827	249,479	(417,929)	211	487,121

Nine months ended 30 September 2025

	Attributable to owners of the parent						
	Share capital	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Exchange fluctuation reserve	Total equity
	RMB'000 *(note 31)*	*RMB'000* *(note 31)*	*RMB'000* *(note 32)*	*RMB'000* *(note 33)*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	–	86,533	568,827	249,479	(409,097)	517	496,259
Loss for the period	–	–	–	–	(15,588)	–	(15,588)
Exchange differences on translation of foreign operations	–	–	–	–	–	(203)	(203)
Total comprehensive loss for the period	–	–	–	–	(15,588)	(203)	(15,791)
Conversion into a joint stock company	86,533	(86,533)	–	–	–	–	–
Issue of shares	3,606	–	19,367	–	–	–	22,973
Equity-settled share award expense *(note 33)*	–	–	–	24,652	–	–	24,652
As at 30 September 2025	90,139	–	588,194*	274,131*	(424,685)*	314*	528,093

* The reserve accounts comprised the consolidated reserves of RMB318,314,000, RMB391,532,000, RMB409,726,000 and RMB437,954,000 in the consolidated statements of financial position as at 31 December 2022, 2023 and 2024 and 30 September 2025.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss)/profit before tax		(84,867)	(39,547)	16,709	7,466	(19,188)
Adjustments for:						
Finance costs	*6*	644	515	214	169	287
Interest income	*5*	(1,250)	(1,508)	(1,987)	(1,652)	(1,165)
Loss on disposal of items of property, plant and equipment	*7*	23	117	–	–	23
Gain on early termination of a lease	*5*	–	(362)	–	–	(30)
Depreciation of property, plant and equipment	*7*	3,346	4,373	5,306	4,211	4,116
Depreciation of right-of-use assets	*7*	2,771	2,433	2,081	1,561	2,785
Amortisation of intangible assets	*7*	652	709	739	518	642
Impairment/(reversal of impairment) of trade receivables	*7*	1,575	(909)	(184)	172	697
Impairment of other receivables	*7*	253	221	257	(78)	(738)
Gain on disposal of subsidiaries	*5*	–	(12,835)	–	–	–
Gain on disposal of a joint venture	*5*	–	(78,579)	–	–	–
Write-down of inventories to net realisable value	*7*	14,117	648	4,251	5,669	3,483
Investment income from wealth management products and structured deposits	*5*	(3,827)	(1,136)	(1,932)	(722)	(344)
Investment income from time deposits	*5*	(471)	(1,394)	(3,371)	(2,210)	(2,652)
Fair value gains on financial assets at fair value through profit or loss	*5*	(2,101)	(471)	(47)	(553)	(480)
Foreign exchange losses/(gains), net		307	172	(582)	1,339	(508)
Equity-settled share-based payments	*33*	12,831	69,573	–	–	24,652
		(55,997)	(57,980)	21,454	15,890	11,580

		Year ended 31 December			Nine months ended 30 September	
	Notes	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Increase in inventories		(47,224)	(26,440)	(21,513)	(28,682)	(17,210)
Increase in restricted bank deposits		–	–	(36)	–	–
Increase in trade and bills receivables		(23,240)	(29,362)	(66,379)	(21,856)	(49,063)
(Increase)/decrease in prepayments, deposits and other receivables		(35,316)	(5,938)	32,595	25,438	(1,993)
(Decrease)/increase in trade payables		(5,715)	40,280	48,344	33,336	42,203
Increase/(decrease) in other payables and accruals		12,030	12,323	(369)	(4,752)	(175)
Increase/(decrease) in contract liabilities		4,783	5,750	(3,752)	(2,801)	(2,511)
(Increase)/decrease in financial assets at fair value through other comprehensive income		(3,782)	3,006	(558)	133	(2,500)
Increase/(decrease) in provision for product warranties		175	162	326	358	191
Cash generated (used in)/from operations		(154,286)	(58,199)	10,112	17,064	(19,478)
Interest received		826	952	1,805	1,448	1,165
Income tax paid		–	–	–	–	–
Net cash flows (used in)/from operating activities		(153,460)	(57,247)	11,917	18,512	(18,313)

continued/...

	Notes	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(9,376)	(3,791)	(9,960)	(5,361)	(6,297)
Purchase of intangible assets		(1,044)	–	(325)	–	(1,442)
Proceeds from disposal of property, plant and equipment		12	905	286	47	1,255
(Decrease)/increase in deferred income		(253)	(253)	259	335	(228)
Purchase of financial assets at fair value through profit or loss		(117,451)	(131,290)	(336,305)	(246,100)	(192,750)
Disposal of subsidiaries	*34*	–	580	95	95	6,555
Disposal of a joint venture		–	74,982	–	–	–
Purchase of time deposits		(30,000)	(78,832)	(113,105)	(102,839)	(37,106)
Proceeds from disposal of time deposits		–	30,673	80,024	80,024	10,000
Proceeds from disposal of financial assets at fair value through profit or loss		371,479	177,188	382,498	233,127	182,014
Advances of loans to Neura Robotics GmbH		(49,509)	(22,482)	–	–	–
Repayment of loans from Neura Robotics GmbH		–	92,842	–	–	19,194
Net cash flows from/(used in) investing activities		163,858	140,522	3,467	(40,672)	(18,805)
CASH FLOWS FROM FINANCING ACTIVITIES						
New bank loans		10,000	–	–	–	–
Repayment of bank loans		–	(10,000)	–	–	–
Interest paid		(148)	(212)	–	–	–
Proceeds from issue of shares	*31*	–	–	–	–	22,973
Capital contribution of a subsidiary from a non-controlling shareholder		3,000	–	–	–	–
Payment for listing expenses		–	–	–	–	(2,648)
Payments of lease liabilities		(2,994)	(1,937)	(3,247)	(2,678)	(2,881)
Net cash flows from/(used in) financing activities		9,858	(12,149)	(3,247)	(2,678)	17,444

	Notes	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		20,256	71,126	12,137	(24,838)	(19,674)
Cash and cash equivalents at beginning of year/period		16,381	36,328	107,476	107,476	120,520
Effect of foreign exchange rate changes, net		(309)	22	907	(1,261)	305
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		36,328	107,476	120,520	81,377	101,151
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	*24*	36,328	29,550	96,906	31,866	101,151
Non-pledged time deposits with original maturity of less than three months when acquired	*24*	–	77,926	23,614	49,511	–
Cash and cash equivalents as stated in the consolidated statements of financial position	*24*	36,328	107,476	120,520	81,377	101,151

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 September
	Notes	2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	13,013	11,856	12,186	15,297
Right-of-use assets	*15*	8,524	6,287	4,206	13,576
Other intangible assets	*14*	2,575	1,866	1,452	2,252
Deferred tax assets	*19*	4,464	45,906	47,066	50,666
Investments in subsidiaries	*16*	180,765	187,901	233,853	262,332
Investment in a joint venture	*17*	–	–	–	–
Time deposits with original maturity of over three months	*24*	–	–	61,852	107,120
Prepayment, deposits and other receivables	*21*	1,075	430	1,963	2,123
Total non-current assets		210,416	254,246	362,578	453,366
CURRENT ASSETS					
Inventories	*18*	82,549	110,345	126,474	138,858
Trade and bills receivables	*20*	54,555	65,332	115,075	137,756
Prepayments, deposits and other receivables	*21*	131,805	93,500	52,415	73,213
Financial assets at fair value through profit or loss	*22*	5,544	75,261	31,047	42,607
Financial assets at fair value through other comprehensive income	*23*	3,782	776	1,334	3,834
Time deposits with original maturity of over three months	*24*	30,471	58,105	54,624	39,114
Restricted bank deposits	*24*	–	–	36	36
Cash and cash equivalents	*24*	32,492	104,885	91,522	53,769
Total current assets		341,198	508,204	472,527	489,187
CURRENT LIABILITIES					
Trade payables	*25*	24,240	48,369	70,310	82,395
Other payables and accruals	*26*	78,298	175,130	207,553	230,120
Interest-bearing loans and borrowings	*27*	10,000	–	–	–
Lease liabilities	*15*	2,684	2,068	2,121	2,331
Contract liabilities	*28*	3,513	9,669	6,560	4,173
Provision		543	701	1,048	1,413

	Notes	As at 31 December			As at 30 September
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Total current liabilities		119,278	235,937	287,592	320,432
NET CURRENT ASSETS		221,920	272,267	184,935	168,755
TOTAL ASSETS LESS CURRENT LIABILITIES		432,336	526,513	547,513	622,121
NON-CURRENT LIABILITIES					
Deferred income	29	421	168	427	199
Lease liabilities	15	6,595	5,411	2,325	11,642
Total non-current liabilities		7,016	5,579	2,752	11,841
Net assets		425,320	520,934	544,761	610,280
EQUITY					
Share capital	31	–	–	–	90,139
Paid-in capital	31	86,533	86,533	86,533	–
Reserves	32	338,787	434,401	458,228	520,141
Total equity		425,320	520,934	544,761	610,280

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability incorporated in Shenzhen, People's Republic of China (the "PRC"). The registered office address of the Company is 1101, Building 9, Haichuang Dazu Robot Intelligent Manufacturing Center, No. 3 Erzhi Industrial Avenue, Xihai Village, Beijiao Town, Shunde District, Foshan City, Guangdong Province, the PRC.

During the Relevant Periods, the Group was principally engaged in the research and development, manufacturing and commercialization of intelligent robots.

During the Relevant Periods, Mr. Wang Guangneng is considered to be the largest shareholder, who held approximately 24.18% of interest in the issued shares of the Company directly and indirectly.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Guangdong Jiutian Power Technology Co., Ltd. 廣東九天動力科技有限公司* *(note (a))*	Chinese Mainland 24 September 2020	RMB10,000,000	100%	–	Research and development, manufacture and sale of robots
Shenzhen Huayan Robotics Technology Co., Ltd. 深圳市華沿機器人科技有限公司* *(note (a))*	Chinese Mainland 9 June 2021	RMB150,000,000	100%	–	Sale of products
Huayan Robotics (Tianjin) Co., Ltd. 華沿機器人(天津)有限公司* *(note (a))*	Chinese Mainland 14 December 2020	RMB1,000,000	100%	–	Sale of products
Huayan Robotics (Jiangsu) Co., Ltd. 華沿機器人(江蘇)有限公司* *(note (a))*	Chinese Mainland 27 April 2022	RMB50,000,000	100%	–	Sale of products
Huayan Robotics (Foshan) Co., Ltd. 華沿機器人(佛山)有限公司* *(note (a))*	Chinese Mainland 1 November 2022	RMB1,000,000	100%	–	Sale of products
Huayan Robotics (HK) Limited. 華沿機器人(香港)有限公司 *(note (b))*	Hong Kong 12 January 2022	HKD12,000,000	100%	–	Sale of products
Huayan Robotics America Inc. *(note (a))*	The United States 16 April 2024	USD300,000	100%	–	Sale of products
Huayan (Guangzhou) Robotics Co., Ltd. 華沿(廣州)機器人有限公司* *(note (a))*	Chinese Mainland 6 June 2025	RMB2,000,000	100%	–	Sale of products

* The English names of these companies registered in the PRC represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

Note:

(a) As at the date of this report, no audited financial statements have been prepared for these entities for the Relevant Periods as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of incorporation or newly incorporated.

(b) The statutory financial statements of this entity for the period from 12 January 2022 (date of incorporation) to 31 December 2024 prepared in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standards ("SME-FRS") issued by the HKICPA, were audited by Conpak CPA Limited, certified public accountants registered in Hong Kong.

2.1 BASIS OF PREPARATION

For ordinary shares issued to Pre-IPO investors, pursuant to the supplemental agreements entered into between the Company and the Pre-IPO Investors in relation to the termination of certain of special rights granted by the Company, including redemption rights and liquidation preferences, which are void ab initio as described in note 31 to this report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period. For the details of financial impacts, see note 31 of this report.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial information of the subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contract Referencing Nature-dependent Electricity*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[3]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]

1 No mandatory effective date yet determined but available for adoption

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual/reporting periods beginning on or after 1 January 2027

The Group is in the process of making a detailed assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Investments in a joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of a joint venture is included in profit or loss respectively. In addition, when there has been a change recognised directly in the equity of a joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the Group's investment in the joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of a joint venture is included as part of the Group's investment in a joint venture.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Fair value measurement

The Group measures its certain financial instruments at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Shorter of remaining lease terms and estimated useful lives
Machinery and equipment	9.5% to 19.2%
Furniture and fixtures	6.1% to 19.4%
Motor vehicles	14.3% to 19.0%
Electronic equipment	4.9% to 32.0%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at end of each of the Relevant Periods.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at end of each of the Relevant Periods.

Intangible assets are amortized on the straight-line basis over the following useful economic lives:

Software	3 to 5 years

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 6 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of employee dormitory (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12- month ECLs

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Classification as equity and financial liabilities

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 financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, loans and borrowings)

After initial recognition, trade payables, other payables and accruals, interest-bearing bank and other borrowings, are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) Sale of products

Revenue from the sale of products is recognised at the point in time when control of the products is transferred to the customers, generally on delivery or acceptance of the products as agreed in the sales contracts.

For some contracts, the Group provides installation and commissioning services that are bundled together with the sale of products to the customers. The installation and commissioning services significantly modify or customise the goods, therefore, the products and the services are highly interrelated and combined as one single performance obligation which is satisfied at point in time.

Rights of return

For contracts which provide a customer with a right to return the products within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) Provision of maintenance services

Revenue from maintenance services is recognised at a point in time when the service is completed and is determined based on the fees as agreed in the agreement.

(c) Provision of advisory services

Revenue from the provision of advisory services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each of the Relevant Periods.

Share-based payments

The Group operates share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Further details are included in note 33 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension scheme

The employees of the Company and the Company's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. Other than the monthly contributions, the Group has no further payment obligations once the contributions have been paid.

Housing fund and other social insurances — Chinese Mainland

The Company and the Company's subsidiaries which operate in Chinese Mainland has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Company and the Company's subsidiaries which operate in Chinese Mainland makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The liability of the Company and the Company's subsidiaries which operate in Chinese Mainland in respect of these funds is limited to the contributions payable in each of the Relevant Periods.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its Historical Financial Information. The Group will adjust the amounts recognised in its Historical Financial Information to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its Historical Financial Information, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries and a joint venture are currencies other than the RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates or the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Classification of financial assets

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets. In determining the business model, the Group considers how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within) and, in particular, the way those risks are managed. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, it is necessary for the Group to consider the reason, timing, frequency, and value of sales prior to maturity date.

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details on deferred taxes are disclosed in note 19 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Variable consideration for returns

The Group estimates variable consideration to be included in the transaction price for the sale of products with rights of return.

The Group has developed a statistical model for forecasting sales returns. The model used the historical return data of each product to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group updates its assessment of expected returns annually and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances and the Group's past experience regarding returns may not be representative of customers' actual returns in the future. As at 31 December 2022, 2023, 2024 and 30 September 2025, the amount recognised as liabilities were RMB1,322,000, RMB2,651,000 and RMB4,204,000 and RMB2,998,000, respectively, for the expected returns.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories at the end of each of the Relevant Periods and makes provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of robots' industry. Management estimates the net realizable value for those obsolete and slow-moving inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each of the Relevant Periods. The provision against obsolete and slow-moving 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. The carrying amounts of inventories at the end of each of the Relevant Periods are disclosed in note 18 to the Historical Financial Information.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on aging of trade receivable for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., global GDP, global default rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for warranties

The Group provides one-year warranties to its customers on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis annually and revised where appropriate. The details was disclosed in note 30 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on its service and products and only has one reportable operating segment.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Chinese Mainland	80,729	128,936	154,542	105,792	174,846
European	18,191	31,190	124,328	78,982	83,167
Americas	3,098	8,118	24,025	15,846	12,942
Others	7,424	7,136	7,546	5,604	9,925
	109,442	175,380	310,441	206,224	280,880

The revenue information above is based on the locations of the customers.

(b) Non-current assets

The Group's non-current assets are all located in Chinese Mainland. Thus, no geographic information is presented.

Information about major customers

Revenue from a major customer which accounted for 10% or more of the Group's revenue during the Relevant Periods are set out below:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Customer 1	27,284	31,448	N/A*	22,065	27,808
Customer 2	11,651	23,508	116,083	73,151	69,792
Customer 3	12,596	N/A*	N/A*	N/A*	N/A*
Customer 4	N/A*	N/A*	N/A*	N/A*	33,927

* Less than 10% of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue from contracts with customers	109,442	175,380	310,441	206,224	280,880
	109,442	175,380	310,441	206,224	280,880

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Types of goods or services					
Sale of products	108,943	174,076	308,202	204,341	280,033
Services	499	1,304	2,239	1,883	847
	109,442	175,380	310,441	206,224	280,880
Geographical market					
Chinese Mainland	80,729	128,936	154,542	105,792	174,846
European	18,191	31,190	124,328	78,982	83,167
Americas	3,098	8,118	24,025	15,846	12,942
Others	7,424	7,136	7,546	5,604	9,925
	109,442	175,380	310,441	206,224	280,880

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Timing of revenue recognition					
Goods transferred at a point in time	108,943	174,076	308,202	204,341	280,033
Maintenance services transferred at a point in time	455	660	1,455	1,399	818
Advisory services transferred over time	44	644	784	484	29
Total revenue from contracts with customers	109,442	175,380	310,441	206,224	280,880

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:					
Sale of products	1,008	6,122	9,844	9,535	6,544

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is usually satisfied upon acceptance of products for domestic sales and delivery of products for export and payment is generally due within 3 months from control of the products is transferred to the customers, where payment in advance is normally required for some customers. These contracts provide customers with a right of return, which gives rise to variable consideration subject to constraint.

Provision of related supporting services

The performance obligation is satisfied at point in time when services are completed and payment is generally due upon completion of services and customer acceptance.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2022, 2023, 2024, and 30 September 2025 are as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts expected to be recognised as revenue:				
Within one year	6,122	9,844	6,375	4,012
After one year	894	802	519	371
Total	7,016	10,646	6,894	4,383

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to sale of products, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Other income					
Interest income	1,250	1,508	1,987	1,652	1,165
Investment income from wealth management products and structured deposits	3,827	1,136	1,932	722	344
Investment income from certificate of deposit	471	1,394	3,371	2,210	2,652
Government grants*	1,162	3,195	7,669	7,425	309
Others	23	244	366	342	260
Gains					
Gains from disposal of subsidiaries	–	12,835	–	–	–
Gain from disposal of a joint venture	–	78,579	–	–	–
Fair value gains on financial assets at fair value through profit or loss	2,101	471	47	553	480
Gain on early termination of a lease	–	362	–	–	30
Foreign exchange gains, net	4,616	5,872	–	–	4,850
	13,450	105,596	15,372	12,904	10,090

* The Group has received certain government grants related to assets and income. Certain of the grants related to assets and income have future related costs expected to be incurred. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets. The grants related to income have been received to compensate for the Group's research and development costs and are recognised in profit or loss on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

Other 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 recognised in profit or loss in the period in which they become receivable. There are no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on bank and other borrowings	155	212	–	–	–
Interest on lease liabilities	489	303	214	169	287
	644	515	214	169	287

For the details of Pre-IPO investments, please refer to note 31 to this report.

7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

		Year ended 31 December			Nine months ended 30 September	
	Notes	2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cost of inventories sold*		94,265	124,563	203,016	136,158	174,851
Cost of services provided		171	587	992	830	477
Research and development costs		55,432	85,656	47,283	33,894	50,978
Depreciation of property, plant and equipment**	*13*	3,346	4,373	5,306	4,211	4,116
Depreciation of right-of-use assets**	*15*	2,771	2,433	2,081	1,561	2,785
Amortisation of intangible assets**	*14*	652	709	739	518	642
Loss on disposal of property, plant and equipment***		23	117	–	–	23
Foreign exchange losses/(gains), net***		(4,616)	(5,872)	2,003	613	(4,850)
Lease payments in respect of short-term leases and low-value assets leases	*15*	2,553	1,979	1,721	1,098	1,187
Impairment/(reversal of impairment) of trade receivables	*20*	1,575	(923)	(183)	172	697

	Notes	Year ended 31 December 2022	2023	2024	Nine months ended 30 September 2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Impairment of other receivables	21	253	221	257	(78)	(738)
Write-down of inventories to net realisable value****		14,117	648	4,251	5,669	3,483
Product warranty provision	30	693	620	1,259	1,152	1,129
Auditor's remuneration		23	286	252	–	–
Listing expenses		–	–	–	–	15,389
Employee benefit expenses (excluding directors' and supervisors' remuneration *(note 8)*)						
– Wages and salaries		59,000	70,570	58,826	49,420	75,399
– Performance related bonus		3,794	5,219	8,774	6,784	10,066
– Pension scheme contributions		2,945	3,487	3,666	2,675	4,304
– Share-based payments expenses		9,153	48,029	–	–	10,521
Total		74,892	127,305	71,266	58,879	100,290

* The amounts disclosed for cost of inventories sold included write-down of inventories to net realisable value

** The depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses", and "Research and development expenses" in profit or loss, respectively

*** The amounts are included in "other income and gains" and "other expenses" in profit or loss

**** The amounts are included in "cost of inventories sold" in profit or loss.

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration as recorded during the Relevant Periods and the nine months ended 30 September 2024 is set out below:

	Year ended 31 December 2022	2023	2024	Nine months ended 30 September 2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Fees	–	–	–	–	–
Other emoluments:					
Salaries, allowances and benefits in kind	1,768	1,791	1,795	1,346	1,515
Performance related bonus	770	866	954	715	876
Pension scheme contributions	103	99	102	77	85
Share-based payment expenses	3,678	21,544	–	–	14,131
	6,319	24,300	2,851	2,138	16,607

(a) Independent non-executive directors

Nine months ended 30 September 2025

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Independent non-executive directors:						
Ms. Gao Li	–	–	–	–	–	–
Mr. Wang Yihua. . .	–	–	–	–	–	–
Mr. Huang Kai . . .	–	–	–	–	–	–
	–	–	–	–	–	–

The independent non-executive directors of the Company were appointed in May 2025.

(b) Non-executive directors

Year ended 31 December 2022

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors:						
Mr. Fang Bin	–	–	–	–	–	–

Year ended 31 December 2023

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors:						
Mr. Fang Bin	–	–	–	–	–	–

Year ended 31 December 2024

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors:						
Mr. Fang Bin	–	–	–	–	–	–

Nine months ended 30 September 2025

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive directors:						
Mr. Fang Bin	–	–	–	–	–	–

Nine months ended 30 September 2024

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Non-executive directors:						
Mr. Fang Bin	–	–	–	–	–	–

Mr. Fang Bin was appointed as a non-executive director of the Company with effect from July 2021 and no emoluments payable to him during the Relevant Periods and the nine months ended 30 September 2024.

(c) Executive directors and supervisors

Year ended 31 December 2022

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors and a supervisor:						
Mr. Wang Guangneng *(note (i))*.	–	473	420	28	–	921
Mr. Zhang Guoping *(note (ii))*	–	583	215	28	–	826
Mr. Wang Xianli *(note (ii))*	–	394	60	21	1,843	2,318
Mr. Zhao Yi *(note (ii))*	–	318	75	26	1,835	2,254
Mr. Ye Zhaohong *(note (iii))*.	–	–	–	–	–	–
	–	1,768	770	103	3,678	6,319

Year ended 31 December 2023

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors and a supervisor:						
Mr. Wang Guangneng *(note (i))*	–	474	420	27	–	921
Mr. Zhang Guoping *(note (ii))*	–	584	252	27	–	863
Mr. Wang Xianli *(note (ii))*	–	414	50	20	10,797	11,281
Mr. Zhao Yi *(note (ii))*	–	319	144	25	10,747	11,235
Mr. Ye Zhaohong *(note (iii))*	–	–	–	–	–	–
	–	1,791	866	99	21,544	24,300

Year ended 31 December 2024

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors and a supervisor:						
Mr. Wang Guangneng *(note (i))*	–	474	420	27	–	921
Mr. Zhang Guoping *(note (ii))*	–	583	290	27	–	900
Mr. Wang Xianli *(note (ii))*	–	416	100	21	–	537
Mr. Zhao Yi *(note (ii))*	–	322	144	27	–	493
Mr. Ye Zhaohong *(note (iii))*	–	–	–	–	–	–
	–	1,795	954	102	–	2,851

Nine months ended 30 September 2025

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:						
Mr. Wang Guangneng *(note (i))*	–	357	394	22	11,598	12,371
Mr. Zhang Guoping *(note (ii))*	–	440	272	24	1,859	2,595
Mr. Zhang Yingtao *(note (ii))*	–	410	135	17	674	1,236
Mr. Zhao Yi *(note (ii))*	–	135	75	12	–	222
Mr. Wang Xianli *(note (ii))*	–	173	–	10	–	183
	–	1,515	876	85	14,131	16,607

Nine months ended 30 September 2024

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Executive directors and a supervisor:						
Mr. Wang Guangneng *(note (i))*	–	355	315	21	–	691
Mr. Zhang Guoping *(note (ii))*	–	437	217	21	–	675
Mr. Wang Xianli *(note (ii))*	–	312	75	16	–	403
Mr. Zhao Yi *(note (ii))*	–	242	108	19	–	369
Mr. Ye Zhaohong *(note (iii))*	–	–	–	–	–	–
	–	1,346	715	77	–	2,138

Notes:

(i) Mr. Wang Guangneng was appointed as a director and the chief executive officer of the Company and the chairman of the Board with effect from September 2017.

(ii) Mr. Zhang Guoping was appointed as a director of the Company with effect from November 2020. Mr. Wang Xianli was appointed as a director of the Company with effect from November 2020 to May 2025. Mr. Zhao Yi was appointed as a director of the Company with effect from January 2021 to May 2025. Mr. Zhang Yingtao was appointed as a director with effect from May 2025.

(iii) Mr.Ye Zhaohong was appointed as a supervisor of the Company with effect from January 2021 to May 2025. The emoluments of the Mr. Ye Zhaohong relation to his services rendered for the Company since his appointment were borne by the Company's shareholder. His emoluments were not allocated to the Company as the management of the Company considers there is no reasonable basis of allocation.

During the Relevant Periods and the nine months ended 30 September 2024, restricted share units were granted to certain directors through share incentive platforms, further details of which are included in the disclosures in note 33 to the Historical Financial Information. The fair value of such awarded restricted share units, which has been recognised in profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and the nine months ended 30 September 2024 is included in the above directors' remuneration disclosures.

Save for the supervisor, there was no arrangement under which a director or the chief executive agreed to waive any remuneration during the Relevant Periods and the nine months ended 30 September 2024.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and nine months ended 30 September 2024 included two, two, two, two and three directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining three, three, three, three and two highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and nine months ended 30 September 2024 are as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	1,411	2,012	1,621	1,199	680
Performance related bonus	233	253	386	414	334
Pension scheme contributions	39	57	58	38	31
Share-based payment expenses	689	2,094	–	–	1,485
	2,372	4,416	2,065	1,651	2,530

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
				(Unaudited)	
Nil to HK$1,000,000	3	1	3	3	–
HK$ 1,000,001 to HK$ 1,500,000	–	–	–	–	2
HK$ 1,500,001 to HK$ 2,000,000	–	2	–	–	–
	3	3	3	3	2

During the Relevant Periods and nine months ended 30 September 2024, restricted share units were granted to certain non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 33 to the Historical Financial Information. The fair value of such units, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the Relevant Periods and nine months ended 30 September 2024 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese Mainland

The provision for corporate income tax in Chinese Mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008. The Company, Guangdong Huayan Robotics Co., Ltd., and its subsidiary, Guangdong Jiutian Dongli Technology Co., Ltd. are qualified high and new technology enterprises and were subject to income tax at a preferential tax rate of 15% during the Relevant Periods and nine months ended 30 September 2024. This qualification is subject to review by the relevant tax authority in the PRC for every three years, with the Company's and the subsidiary's next review scheduled for year ended 31 December 2026.

Overseas subsidiaries

No income tax on the overseas subsidiaries has been provided as there were no assessable profit arising in such overseas tax jurisdictions during the Relevant Periods and nine months ending 30 September 2024.

The income tax profit of the Group for the Relevant Periods and nine months ended 30 September 2024 is analysed as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Current income tax	–	–	–	–	–
Deferred income tax	(1,501)	(41,442)	(1,160)	(1,571)	(3,600)
Total tax credit for the year/period	(1,501)	(41,442)	(1,160)	(1,571)	(3,600)

A reconciliation of the expected income tax calculated at the preferential tax rate and (loss)/profit before income tax, with the actual income tax at the effective tax rate is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
(Loss)/profit before tax	(84,867)	(39,547)	16,709	7,466	(19,188)
Tax charge at the statutory tax rate of 25%	(21,217)	(9,887)	4,177	1,867	(4,797)
Entities subject to lower statutory income tax rate	11,696	6,586	(928)	(1,057)	3,770
Additional deductible allowance for qualified research and development expenses*	(3,952)	(6,089)	(5,610)	(4,094)	(5,823)
Temporary differences and tax losses not recognised	10,171	82	275	1,163	642
Expenses not deductible for tax	1,801	8,463	1,050	655	2,608
Recognised for tax losses in previous periods	–	(40,597)	–	–	–
Tax losses utilised from previous periods	–	–	(124)	(105)	–
Tax (credit)/expense at the Group's effective tax rate	(1,501)	(41,442)	(1,160)	(1,571)	(3,600)

* Based on Public Notice 2021 No. 13 issued by the State Tax Bureau of the PRC on 31 March 2021, the enterprises originally eligible for 100% deduction of eligible research and development expenses from 1 January 2022 to 31 December 2022. Furthermore, based on Public Notice 2023 No. 7 issued by the State Tax Bureau of the PRC on 26 March 2023, the enterprises eligible for 100% deduction of eligible research and development expenses from 1 January 2023. The Company has claimed such additional super deduction during the Relevant Periods and nine months ended 30 September 2024.

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

12. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (losses)/earnings per share amounts is based on the (loss)/profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the Relevant Periods and nine months ended 30 September 2024. The weighted average number of ordinary shares in issue during the Relevant Periods and nine months ended 30 September 2024, as adjusted to reflect the conversion into a joint stock company with limited liability on 13 May 2025 (note 31).

No adjustment has been made to the basic (losses)/earnings per share amounts presented for the Relevant Periods and nine months ended 30 September 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

The calculations of basic and diluted loss per share are based on:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Earnings					
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	(79,528)	3,451	17,869	9,037	(15,588)
Shares					
Weighted average number of ordinary shares in issue during the year/period, used in the basic (losses)/earnings per share calculation	432,667,180	432,667,180	432,667,180	432,667,180	440,855,631

For the details of Pre-IPO investments, please refer to note 31 to this report.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery and equipment	Furniture and fixtures	Motor vehicles	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022						
At 1 January 2022						
Cost	4,995	–	–	3,903	1,830	10,728
Accumulated depreciation	(632)	–	–	(2,207)	(508)	(3,347)
Net carrying amount	4,363	–	–	1,696	1,322	7,381
At 1 January 2022, net of accumulated depreciation	4,363	–	–	1,696	1,322	7,381
Additions	3,190	106	–	1,137	5,986	10,419
Disposals	(35)	–	–	–	–	(35)
Depreciation provided during the year	(1,038)	(6)	–	(934)	(1,368)	(3,346)
At 31 December 2022, net of accumulated depreciation	6,480	100	–	1,899	5,940	14,419
At 31 December 2022						
Cost	8,150	106	–	5,040	7,816	21,112
Accumulated depreciation	(1,670)	(6)	–	(3,141)	(1,876)	(6,693)
Net carrying amount	6,480	100	–	1,899	5,940	14,419

	Machinery and equipment	Furniture and fixtures	Motor vehicles	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
At 1 January 2023						
Cost	8,150	106	–	5,040	7,816	21,112
Accumulated depreciation	(1,670)	(6)	–	(3,141)	(1,876)	(6,693)
Net carrying amount	6,480	100	–	1,899	5,940	14,419
At 1 January 2023, net of accumulated depreciation	6,480	100	–	1,899	5,940	14,419
Additions	2,415	9	114	622	1,093	4,253
Disposals	(129)	–	–	(893)	–	(1,022)
Disposal of subsidiaries *(note 34)*	(215)	(13)	–	(125)	(319)	(672)
Depreciation provided during the year	(1,417)	(20)	(16)	(206)	(2,714)	(4,373)
At 31 December 2023, net of accumulated depreciation	7,134	76	98	1,297	4,000	12,605
At 31 December 2023						
Cost	10,175	99	114	4,580	8,358	23,326
Accumulated depreciation	(3,041)	(23)	(16)	(3,283)	(4,358)	(10,721)
Net carrying amount	7,134	76	98	1,297	4,000	12,605

	Machinery and Equipment	Furniture and fixtures	Motor vehicles	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024						
Cost	10,175	99	114	4,580	8,358	23,326
Accumulated depreciation	(3,041)	(23)	(16)	(3,283)	(4,358)	(10,721)
Net carrying amount	7,134	76	98	1,297	4,000	12,605
At 1 January 2024, net of accumulated depreciation	7,134	76	98	1,297	4,000	12,605
Additions	4,327	–	–	465	2,527	7,319
Disposals	(239)	–	–	(47)	–	(286)
Depreciation provided during the year	(2,015)	(19)	(22)	(682)	(2,568)	(5,306)
At 31 December 2024, net of accumulated depreciation	9,207	57	76	1,033	3,959	14,332
At 31 December 2024						
Cost	14,263	99	114	4,998	11,118	30,592
Accumulated depreciation	(5,056)	(42)	(38)	(3,965)	(7,159)	(16,260)
Net carrying amount	9,207	57	76	1,033	3,959	14,332

	Machinery and Equipment	Furniture and fixtures	Motor vehicles	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 September 2025						
At 1 January 2025						
Cost	14,263	99	114	4,998	11,118	30,592
Accumulated depreciation	(5,056)	(42)	(38)	(3,965)	(7,159)	(16,260)
Net carrying amount	9,207	57	76	1,033	3,959	14,332
At 1 January 2025, net of accumulated depreciation	9,207	57	76	1,033	3,959	14,332
Additions	2,369	123	–	526	3,597	6,615
Transfer from inventory	1,330	–	–	–	–	1,330
Disposals	(148)	(6)	–	(141)	(984)	(1,279)
Depreciation provided during the period	(2,006)	(18)	(15)	(317)	(1,760)	(4,116)
At 30 September 2025, net of accumulated depreciation	10,752	156	61	1,101	4,812	16,882
At 30 September 2025						
Cost	17,788	213	114	5,255	12,968	36,338
Accumulated depreciation	(7,036)	(57)	(53)	(4,154)	(8,156)	(19,456)
Net carrying amount	10,752	156	61	1,101	4,812	16,882

Considering the losses position in 2022, impairment review on the non-current assets, which including the property, plant and equipment, right-of-use assets and intangible assets, has been conducted by the management as at 31 December 2022 according to IAS 36. The management considered that the Group was highly centralized managed and its activities including research and development, procurement, manufacture and production, sales are all governed and managed in headquarters. The entities that hold non-current assets are highly inter-related and cannot be considered to generate cash inflows that are largely independent of each other. Therefore, the cash-generating unit ("CGU") for non-current assets, other than financial assets located in different entities, is the Group as a whole for impairment testing. The recoverable amount of the CGU was determined based on value in use calculation using cash flow projections based on financial budgets approved by the management. The budgeted sales and margins were estimated based on historical information achieved and the expected market development. The discount rate adopted reflected the time valued and specific risks relating to the Group. According to the impairment test results, the recoverable amount of the CGU was larger than the carrying amount of the non-current assets, thus no impairment loss was recognized as at 31 December 2022.

The Company

	Machinery and Equipment	Furniture and fixtures	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022					
At 1 January 2022					
Cost	4,994	–	3,871	1,830	10,695
Accumulated depreciation	(632)	–	(2,206)	(508)	(3,346)
Net carrying amount	4,362	–	1,665	1,322	7,349
At 1 January 2022, net of accumulated depreciation	4,362	–	1,665	1,322	7,349
Additions	2,841	59	845	5,038	8,783
Disposals	(35)	–	–	–	(35)
Depreciation provided during the year	(1,016)	(3)	(877)	(1,188)	(3,084)
At 31 December 2022, net of accumulated depreciation	6,152	56	1,633	5,172	13,013

	Machinery and Equipment	Furniture and fixtures	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2022					
Cost	7,800	59	4,716	6,868	19,443
Accumulated depreciation	(1,648)	(3)	(3,083)	(1,696)	(6,430)
Net carrying amount	6,152	56	1,633	5,172	13,013

	Machinery and Equipment	Furniture and fixtures	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023					
At 1 January 2023					
Cost	7,800	59	4,716	6,868	19,443
Accumulated depreciation	(1,648)	(3)	(3,083)	(1,696)	(6,430)
Net carrying amount	6,152	56	1,633	5,172	13,013
At 1 January 2023, net of accumulated depreciation	6,152	56	1,633	5,172	13,013
Additions	2,392	9	563	791	3,755
Disposals	(129)	–	(823)	–	(952)
Depreciation provided during the year	(1,378)	(12)	(137)	(2,433)	(3,960)
At 31 December 2023, net of accumulated depreciation	7,037	53	1,236	3,530	11,856
At 31 December 2023					
Cost	10,063	68	4,456	7,659	22,246
Accumulated depreciation	(3,026)	(15)	(3,220)	(4,129)	(10,390)
Net carrying amount	7,037	53	1,236	3,530	11,856

	Machinery and Equipment	Furniture and fixtures	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024					
At 1 January 2024					
Cost	10,063	68	4,456	7,659	22,246
Accumulated depreciation	(3,026)	(15)	(3,220)	(4,129)	(10,390)
Net carrying amount	7,037	53	1,236	3,530	11,856
At 1 January 2024, net of accumulated depreciation	7,037	53	1,236	3,530	11,856
Additions	3,858	–	449	969	5,276
Disposals	(239)	–	(47)	–	(286)
Depreciation provided during the year	(1,934)	(13)	(641)	(2,072)	(4,660)
At 31 December 2024, net of accumulated depreciation	8,722	40	997	2,427	12,186
At 31 December 2024					
Cost	13,682	68	4,858	8,628	27,236
Accumulated depreciation	(4,960)	(28)	(3,861)	(6,201)	(15,050)
Net carrying amount	8,722	40	997	2,427	12,186

	Machinery and Equipment	Furniture and fixtures	Electronic equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 September 2025					
At 1 January 2025					
Cost	13,682	68	4,858	8,628	27,236
Accumulated depreciation	(4,960)	(28)	(3,861)	(6,201)	(15,050)
Net carrying amount	8,722	40	997	2,427	12,186
At 1 January 2025, net of accumulated depreciation	8,722	40	997	2,427	12,186
Additions	2,359	123	519	3,429	6,430
Transfer from inventory	1,330	–	–	–	1,330
Disposals	(61)	(6)	(141)	(586)	(794)
Depreciation provided during the period	(1,950)	(14)	(294)	(1,597)	(3,855)
At 30 September 2025, net of accumulated depreciation	10,400	143	1,081	3,673	15,297
At 30 September 2025					
Cost	17,304	189	5,108	11,691	34,292
Accumulated depreciation	(6,904)	(46)	(4,027)	(8,018)	(18,995)
Net carrying amount	10,400	143	1,081	3,673	15,297

14. OTHER INTANGIBLE ASSETS

The Group and the Company

Software	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period				
Cost	2,771	3,815	3,815	4,140
Accumulated amortisation	(588)	(1,240)	(1,949)	(2,688)
Net carrying amount	2,183	2,575	1,866	1,452
Additions	1,044	–	325	1,442
Amortisation provided during the year/period	(652)	(709)	(739)	(642)
At 31 December/30 September, net of accumulated amortisation	2,575	1,866	1,452	2,252
At end of year/period				
Cost	3,815	3,815	4,140	5,582
Accumulated amortisation	(1,240)	(1,949)	(2,688)	(3,330)
Net carrying amount	2,575	1,866	1,452	2,252

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings. Leases of buildings generally have lease terms between 2 and 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

Buildings

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	10,449	8,524	6,287	4,206
Additions	1,357	1,313	–	15,256
Depreciation charge	(2,771)	(2,433)	(2,081)	(2,785)
Revision of a lease term arising from a change in lease payments	(511)	–	–	–
Early termination	–	(1,117)	–	(498)
At end of year/period	8,524	6,287	4,206	16,179

The Company

Buildings

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	10,449	8,524	6,287	4,206
Additions	1,357	1,313	–	11,802
Depreciation charge	(2,771)	(2,433)	(2,081)	(1,934)
Revision of a lease term arising from a change in lease payments	(511)	–	–	–
Early termination	–	(1,117)	–	(498)
At end of year/period	8,524	6,287	4,206	13,576

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 1 January	10,938	9,279	7,479	4,446
Additions	1,357	1,313	–	15,256
Accretion of interest recognised during the year/period	489	303	214	287
Revision of a lease term arising from a change in lease payments	(511)	–	–	–
Early termination	–	(1,479)	–	(528)
Lease payment	(2,994)	(1,937)	(3,247)	(2,881)
Carrying amount at 31 December/ 30 September	9,279	7,479	4,446	16,580
Analysed into:				
Current portion	2,684	2,068	2,121	3,525
Non-current portion	6,595	5,411	2,325	13,055

The Company

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 1 January	10,938	9,279	7,479	4,446
Additions	1,357	1,313	–	11,802
Accretion of interest recognised during the year/period	489	303	214	248
Revision of a lease term arising from a change in lease payments	(511)	–	–	–
Early termination	–	(1,479)	–	(527)
Lease payment	(2,994)	(1,937)	(3,247)	(1,996)
Carrying amount at 31 December/ 30 September	9,279	7,479	4,446	13,973
Analysed into:				
Current portion	2,684	2,068	2,121	2,331
Non-current portion	6,595	5,411	2,325	11,642

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Lease payments in respect of short-term leases and low-value assets leases	2,553	1,979	1,721	1,098	1,187
Interest on lease liabilities	489	303	214	169	287
Depreciation charge of right-of-use assets	2,771	2,433	2,081	1,561	2,785
Total amount recognised in profit or loss	5,813	4,715	4,016	2,828	4,259

The Company

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Lease payments in respect of short-term leases and low-value assets leases	2,330	1,802	1,543	955	843
Interest on lease liabilities	489	303	214	169	248
Depreciation charge of right-of-use assets	2,771	2,433	2,081	1,561	1,934
Total amount recognised in profit or loss	5,590	4,538	3,838	2,685	3,025

16. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment costs	180,765	187,901	237,150	265,773
Less: provision for impairment	–	–	(3,297)	(3,441)
	180,765	187,901	233,853	262,332

The Company recognised impairment of RMB3,297,000 and RMB3,441,000 on the investment in subsidiaries as at 31 December 2024 and 30 September 2025, respectively.

17. INVESTMENT IN A JOINT VENTURE

The Group's shareholdings in a joint venture is held through the Company. Neura Robotics GmbH ("Neura Robotics"), which is considered as an immaterial joint venture of the Group.

The Group and The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	274	–	–	–
Goodwill on acquisition	–	–	–	–
	274	–	–	–
Provision for impairment	(274)	–	–	–
	–	–	–	–

Although the Company holds 70% of the equity interest in Neura Robotics, it cannot control Neura Robotics since the Company didn't have the decision-making power for major relevant activities of Neura Robotics and couldn't remove the sole executive director who is also the other joint venturer.

Since Neura Robotics was at its research and development stage and was in a net liability and loss-making position, the Group carried out impairment assessment on the investment in Neura Robotics and a full provision was made in 2021.

In August 2023, the Group disposed the equity interest of Neura Robotics to the other joint venturer, at a cash consideration of RMB78,579,000, which recognised a disposal gain of RMB78,579,000 (note 5).

18. INVENTORIES

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	34,892	41,686	52,192	50,114
Work in process	34,688	48,520	58,937	68,428
Finished goods	11,715	16,036	13,716	16,665
Goods in transit	6,699	4,474	3,133	5,167
	87,994	110,716	127,978	140,374

The inventories of the Group are net of a write-down of approximately RMB24,585,000, RMB17,540,000, RMB21,544,000 and RMB18,673,000 as at 31 December 2022, 2023, 2024 and 30 September 2025.

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	33,982	41,686	52,159	50,230
Work in process	34,688	48,520	58,933	68,408
Finished goods	10,457	15,976	12,872	15,611
Goods in transit	3,422	4,163	2,510	4,609
	82,549	110,345	126,474	138,858

The inventories of the Company are net of a write-down of approximately RMB24,304,000, RMB17,313,000, RMB21,226,000 and RMB18,413,000 as at 31 December 2022, 2023, 2024 and 30 September 2025.

19. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax assets

The Group

	Impairment provision for financial assets	Write-down of inventories to net realisable value	Impairment provision for long-term equity investments	Deductible losses	Provision	Deferred income	Leases liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	213	2,615	41	–	207	101	1,641	4,818
(Debited)/credited to profit or loss	255	1,031	–	–	148	(38)	(249)	1,147
As at 31 December 2022	468	3,646	41	–	355	63	1,392	5,965
As at 1 January 2023	468	3,646	41	–	355	63	1,392	5,965
(Debited)/credited to profit or loss	(102)	(1,049)	(41)	42,502	363	(38)	(270)	41,365
As at 31 December 2023	366	2,597	–	42,502	718	25	1,122	47,330
As at 1 January 2024	366	2,597	–	42,502	718	25	1,122	47,330
(Debited)/credited to profit or loss	(10)	587	–	656	75	39	(455)	892
As at 31 December 2024	356	3,184	–	43,158	793	64	667	48,222
As at 1 January 2025	356	3,184	–	43,158	793	64	667	48,222
(Debited)/credited to profit or loss	(23)	(422)	–	4,553	(170)	(34)	1,559	5,463
As at 30 September 2025	333	2,762	–	47,711	623	30	2,226	53,685

The Company

	Impairment provision for financial assets	Write-down of inventories to net realisable value	Impairment provision for long-term equity investments	Deductible losses	Provision	Deferred income	Leases liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	213	2,615	41	–	207	101	1,641	4,818
(Debited)/credited to profit or loss	255	1,031	–	–	148	(38)	(249)	1,147
As at 31 December 2022	468	3,646	41	–	355	63	1,392	5,965
As at 1 January 2023	468	3,646	41	–	355	63	1,392	5,965
(Debited)/credited to profit or loss	(102)	(1,049)	(41)	42,502	363	(38)	(270)	41,365
As at 31 December 2023	366	2,597	–	42,502	718	25	1,122	47,330
As at 1 January 2024	366	2,597	–	42,502	718	25	1,122	47,330
(Debited)/credited to profit or loss	(10)	587	–	656	75	39	(455)	892
As at 31 December 2024	356	3,184	–	43,158	793	64	667	48,222
As at 1 January 2025	356	3,184	–	43,158	793	64	667	48,222
(Debited)/credited to profit or loss	(23)	(422)	–	4,553	(187)	(34)	1,429	5,316
As at 30 September 2025	333	2,762	–	47,711	606	30	2,096	53,538

Deferred tax liabilities

The Group

	Right-of-use assets	Fair value adjustments	Right-of-return assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	1,567	186	102	1,855
(Credited)/debited to profit or loss	(289)	(108)	43	(354)
As at 31 December 2022	1,278	78	145	1,501
As at 1 January 2023	1,278	78	145	1,501
(Credited)/debited to profit or loss	(334)	147	110	(77)
As at 31 December 2023	944	225	255	1,424
As at 1 January 2024	944	225	255	1,424
(Credited)/debited to profit or loss	(313)	(98)	143	(268)
As at 31 December 2024	631	127	398	1,156
As at 1 January 2025	631	127	398	1,156
(Credited)/debited to profit or loss	1,535	448	(120)	1,863
As at 30 September 2025	2,166	575	278	3,019

The Company

	Right-of-use assets	Fair value adjustments	Right-of-return assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	1,567	155	102	1,824
(Credited)/debited to profit or loss	(289)	(77)	43	(323)
As at 31 December 2022	1,278	78	145	1,501
As at 1 January 2023	1,278	78	145	1,501
(Credited)/debited to profit or loss	(336)	147	112	(77)
As at 31 December 2023	942	225	257	1,424
As at 1 January 2024	942	225	257	1,424
(Credited)/debited to profit or loss	(312)	(98)	142	(268)
As at 31 December 2024	630	127	399	1,156
As at 1 January 2025	630	127	399	1,156
(Credited)/debited to profit or loss	1,406	448	(138)	1,716
As at 30 September 2025	2,036	575	261	2,872

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group and the Company for financial reporting purposes:

The Group and the Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the statement of financial position	4,464	45,906	47,066	50,666

Deferred tax assets have not been recognised in respect of the following items:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	294,498	42,372	52,692	86,115
Deductible temporary differences	417	531	543	622
	294,915	42,903	53,235	86,737

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	270,649	–	–	–
Deductible temporary differences	–	–	–	–
	270,649	–	–	–

Deferred tax assets have not been recognised in respect of the below items as it is not considered probable that taxable profits will be available against which the below items can be utilised. The Group has unrecognised accumulated tax losses in Chinese Mainland of RMB294,468,000 RMB41,701,000 and RMB52,689,000 and RMB83,023,000 in aggregate as at 31 December 2022 and 2023 and 2024 and 30 September 2025, respectively, which will expire in one to ten years to offset against future taxable profits of the companies in which losses were incurred. The Group has also unrecognised accumulated tax losses in Hong Kong of RMB30,000, RMB671,000 and RMB2,814,000 in aggregate as at 31 December 2022 and 2023 and 30 September 2025, respectively, as well as that in the United States of RMB3,000 and RMB278,000 as at 31 December 2024 and 30 September 2025, that can be carried forward indefinitely to offset against future taxable profits of the companies in which losses were incurred.

20. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
– Third parties	17,819	52,061	101,039	97,984
– Related parties	32,011	18,861	8,881	29,620
Less: impairment of trade receivables	(2,967)	(2,044)	(1,787)	(2,411)
Trade receivables, net	46,863	68,878	108,133	125,193
Bills receivables*	1,096	814	3,513	9,372
	47,959	69,692	111,646	134,565

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
Subsidiaries	10,220	91	10,623	12,938
Third parties	15,634	49,645	97,762	90,451
Related parties	30,896	16,729	4,834	27,191
Less: impairment of trade receivables	(2,840)	(1,947)	(1,657)	(2,196)
Trade receivables, net	53,910	64,518	111,562	128,384
Bills receivables*	645	814	3,513	9,372
	54,555	65,332	115,075	137,756

* Bills receivable is subject to impairment under the general approach and the impairment is considered to be minimal.

The Group's trade terms with its certain customers are on credit, and the credit period is generally 90 days. To minimize credit risk, the Group maintains rigorous controls over outstanding receivables through its dedicated credit control team, supported by the sales department's timely follow-up on overdue accounts. Overdue balances are reviewed regularly by management.

As at 31 December 2022, 2023 and 2024 and 30 September 2025, the Group had certain concentrations of credit risk as 31%, 17% and 41% and 20% of the Group's trade and bills receivables were due from the largest customer, 64%, 51% and 66% and 52% of the Group's trade and bills receivables were due from the five largest customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	35,159	55,272	97,410	119,176
1 to 2 years	9,630	10,966	5,000	5,746
2 to 3 years	2,074	2,640	5,723	271
	46,863	68,878	108,133	125,193

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	42,240	50,983	102,687	124,071
1 to 2 years	9,596	10,895	3,217	4,042
2 to 3 years	2,074	2,640	5,658	271
	53,910	64,518	111,562	128,384

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	1,392	2,967	2,044	1,787
Impairment losses, net	1,575	(923)	(183)	697
Amount written off as uncollectible	–	–	(74)	(73)
At end of year/period	2,967	2,044	1,787	2,411

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	1,383	2,840	1,947	1,657
Impairment losses, net	1,457	(893)	(216)	612
Amount written off as uncollectible	–	–	(74)	(73)
At end of year/period	2,840	1,947	1,657	2,196

Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped and collectively assessed for impairment allowance and an impairment analysis is performed at the end of each of Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on the aging of the trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company estimated that the expected loss rate for its trade receivables due from subsidiaries is minimal.

Set out below is the information about the credit risk exposure on the Group's and the Company's trade receivables:

The Group

As at 31 December 2022

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	(RMB'000)		*(RMB'000)*
On a collective basis			
Within 1 year	36,523	3.73%	1,363
1 to 2 years	10,866	11.38%	1,237
2 to 3 years	2,375	12.67%	301
Over 3 years	66	100.00%	66
	49,830	5.95%	2,967

As at 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	(RMB'000)		*(RMB'000)*
On a collective basis			
Within 1 year	56,447	2.08%	1,175
1 to 2 years	11,549	5.05%	583
2 to 3 years	2,849	7.34%	209
Over 3 years	77	100.00%	77
	70,922	2.88%	2,044

As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	(RMB'000)		*(RMB'000)*
On a collective basis			
Within 1 year	98,432	1.04%	1,023
1 to 2 years	5,195	3.73%	194
2 to 3 years	6,106	6.27%	383
Over 3 years	187	100.00%	187
	109,920	1.63%	1,787

As at 30 September 2025

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	(RMB'000)		*(RMB'000)*
On a collective basis			
Within 1 year	120,618	1.20%	1,445
1 to 2 years	6,004	4.30%	256
2 to 3 years	292	7.17%	20
Over 3 years	144	100.00%	144
At the end of the year	127,058	1.47%	1,865
On an individual basis	546	100.00%	546
	127,604	1.89%	2,411

The Company

As at 31 December 2022

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	(RMB'000)		*(RMB'000)*
On a collective basis			
Within 1 year	33,260	3.73%	1,241
1 to 2 years	10,829	11.38%	1,232
2 to 3 years	2,375	12.67%	301
Over 3 years	66	100.00%	66
	46,530	6.10%	2,840

As at 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	(RMB'000)		*(RMB'000)*
On a collective basis			
Within 1 year	51,974	2.08%	1,082
1 to 2 years	11,474	5.05%	579
2 to 3 years	2,849	7.34%	209
Over 3 years	77	100.00%	77
	66,374	2.93%	1,947

As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	(RMB'000)		*(RMB'000)*
On a collective basis			
Within 1 year	93,030	1.04%	966
1 to 2 years	3,342	3.74%	125
2 to 3 years	6,037	6.28%	379
Over 3 years	187	100.00%	187
	102,596	1.62%	1,657

As at 30 September 2025

	Gross carrying amount	Expected credit loss rate	Expected credit loss
	(RMB'000)		*(RMB'000)*
On a collective basis			
Within 1 year	112,479	1.20%	1,348
1 to 2 years	4,223	4.30%	180
2 to 3 years	292	7.17%	20
Over 3 years	102	100.00%	102
At the end of the year	117,096	1.41%	1,650
On an individual basis	546	100.00%	546
	117,642	1.87%	2,196

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Value-added tax recoverable	14,336	13,162	4,813	7,029
Deferred listing expenses	–	–	–	3,285
Right-of-return assets	889	1,768	2,636	1,859
Prepayments	31,258	27,222	3,833	8,049
Tax recoverable	701	4,209	977	–
Amounts due from Neura Robotics*	84,017	19,476	18,822	–
Deposits	426	129	139	655
Other receivables	2,938	7,720	8,053	2,480
Less: Impairment of other receivables and deposit	289	510	767	29
	134,276	73,176	38,506	23,328
Non-Current				
Prepayments for property, plant and equipment	1,075	430	1,964	2,123
	135,351	73,606	40,470	25,451

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Value-added tax recoverable	13,570	12,885	4,551	6,506
Deferred listing expenses	–	–	–	3,285
Right-of-return assets	889	1,768	2,636	1,739
Prepayments	30,896	27,224	3,834	7,995
Tax recoverable	701	4,198	977	–
Amounts due from Neura Robotics*	84,017	19,476	18,822	–
Amounts due from subsidiaries	–	21,715	14,563	51,321
Deposits	418	127	92	487
Other receivables	1,591	6,596	7,655	1,902
Less: Impairment of other receivables and deposit	277	489	715	22
	131,805	93,500	52,415	73,213
Non-Current				
Prepayments for property, plant and equipment	1,075	430	1,963	2,123
	132,880	93,930	54,378	75,336

* Non-trade amounts due from Neura Robotics were unsecured with the fixed interest rate of 1.0% per annum and had been settled in February 2025.

The Group considers the historical loss rate and adjusts for forward-looking macroeconomic data.

The movements in the loss allowance for impairment of other receivables are as follows:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	36	289	510	767
Impairment losses, net	253	221	257	(738)
At end of year/period	289	510	767	29

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	36	277	489	715
Impairment losses, net	241	212	226	(693)
At end of year/period	277	489	715	22

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management product	119,552	75,261	11,047	42,607
Structured deposits	–	–	20,000	–
	119,552	75,261	31,047	42,607

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management product	5,544	75,261	11,047	42,607
Structured deposits	–	–	20,000	–
	5,544	75,261	31,047	42,607

Wealth management products issued by several licensed banks were denominated in RMB, with expected rates of return ranging from 1.74% to 2.59% per annum for the year ended 31 December 2022, from 2.63% to 4.04% for the year ended 31 December 2023, and from 1.59% to 5.96% for the year ended 31 December 2024, and from 1.82% to 2.72% for the nine months ended 30 September 2025. The return on all these wealth management products is not guaranteed, and their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are measured at fair value through profit or loss.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables*	3,782	776	1,334	3,834

Bills receivables at fair value through other comprehensive income was mainly bank acceptance bills discounted and endorsed for the purpose of daily treasury management and were qualified for derecognition.

* Bills receivable is subject to impairment under the general approach and the impairment is considered to be minimal.

24. CASH AND BANK BALANCES AND RESTRICTED BANK DEPOSITS

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	36,328	29,550	96,906	101,151
Time deposits	30,471	157,950	140,090	146,234
Restricted bank deposits	–	–	36	36
	66,799	187,500	237,032	247,421
Less:				
Current:				
Time deposits with original maturity of over three months	30,471	80,024	54,624	39,114
Non-current:				
Time deposits with original maturity of over three months	–	–	61,852	107,120
Restricted bank deposits	–	–	36	36
Cash and cash equivalents	36,328	107,476	120,520	101,151
Denominated in				
RMB	35,967	106,098	95,787	49,374
USD	–	–	249	41,234
EUR	361	23	22	7,596
HKD	–	1,355	24,462	2,947
	36,328	107,476	120,520	101,151

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	32,492	27,865	91,522	53,769
Time deposits	30,471	135,125	116,476	146,234
Restricted bank deposits	–	–	36	36
	62,963	162,990	208,034	200,039

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less:				
Current:				
Time deposits with original maturity of over three months	30,471	58,105	54,624	39,114
Non-current:				
Time deposits with original maturity of over three months	–	–	61,852	107,120
Restricted bank deposits	–	–	36	36
Cash and cash equivalents	32,492	104,885	91,522	53,769
Denominated in				
RMB	32,492	104,885	91,522	46,987
USD	–	–	–	1,011
EUR	–	–	–	5,765
HKD	–	–	–	6
	32,492	104,885	91,522	53,769

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances and restricted bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 December 2024 and 30 September 2025, the restricted bank deposits are all guarantee deposits, with an amount of RMB36,100.

25. TRADE PAYABLES

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	25,375	48,973	70,803	92,114

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	24,510	45,925	67,489	89,861
Over 1 year	865	3,048	3,314	2,253
	25,375	48,973	70,803	92,114

The trade payables are non-interest-bearing and are normally settled on terms on 1-3 months terms.

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	24,240	48,369	70,310	82,395

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	23,375	45,701	67,324	77,927
Over 1 year	865	2,668	2,986	4,468
	24,240	48,369	70,310	82,395

26. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll payable	12,355	15,220	18,295	18,468
Other tax payables	2,528	1,913	1,304	1,540
Refund liabilities	1,322	2,651	4,204	2,998
Other payables	17,524	18,332	12,837	14,570
	33,729	38,116	36,640	37,577

The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables to subsidiaries	49,457	140,975	172,772	215,181
Payroll payable	8,606	12,157	16,902	4,674
Other tax payables	1,871	1,557	1,239	618
Refund liabilities	1,387	2,533	4,206	2,624
Other payables	16,977	17,908	12,434	7,023
	78,298	175,130	207,553	230,120

Other payables are non-interest-bearing and repayable on demand.

27. INTEREST-BEARING BANK LOANS

The Group and The Company

	At 31 December		
	2022		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank loans – secured*	3.3-4	2023	10,000

As at 31 December 2023, 31 December 2024 and 30 September 2025, the Group had no interest-bearing bank loan.

* The loan is guaranteed by Mr. Wang Guangneng (note 38).

28. CONTRACT LIABILITIES

The Group

	As at 1 January	As at 31 December			As at 30 September
	2022	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Advances from customers					
Sale of goods	2,008	7,016	10,646	6,894	4,383
Analysed for reporting purposes as:					
Current liabilities	2,008	7,016	10,646	6,894	4,383

The Company

	As at 1 January	As at 31 December			As at 30 September
	2022	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Advances received from customers					
Sale of goods	1,535	3,513	9,669	6,560	4,173
Analysed for reporting purposes as:					
Current liabilities	1,535	3,513	9,669	6,560	4,173

All of contract liabilities included in the carrying amount as at 31 December 2022, 2023, 2024 and 30 September 2025, were expected to be transferred to operating revenue in the following year.

29. DEFERRED INCOME

The Group and The Company

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grant*	421	168	427	199
At beginning of year/period	674	421	168	427
Addition during the year/period	–	–	5,900	–
Released to profit or loss during the year/period	(253)	(253)	(5,641)	(228)
At end of year/period	421	168	427	199

* The Group's deferred government grants represented government grants received for projects and are credited to profit or loss on a straight-line basis over the expected lives of the related assets or recognised as income on a systematic basis over the periods that the costs, which they are intended to compensate, are expensed.

30. PROVISION

The Group

	Warranties
	RMB'000
At 1 January 2022	431
Additions	693
Amounts utilised during the year	(518)
At 31 December 2022	606
At 1 January 2023	606
Additions	620
Amounts utilised during the year	(458)
At 31 December 2023	768
At 1 January 2024	768
Additions	1,259
Amounts utilised during the year	(933)
At 31 December 2024	1,094
At 1 January 2025	1,094
Additions	1,129
Amounts utilised during the period	(938)
At 30 September 2025	1,285

The Group generally provides 12 months warranties to its customers on certain of its products for general repairs of defects occurring during the warranty period. The estimation basis is reviewed on an ongoing basis and revised annually.

31. SHARE CAPITAL/PAID-IN CAPITAL

Share Capital

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital
	(in thousand)	*RMB'000*
As at 1 January 2025	–	–
Issue of ordinary shares upon conversion into a joint stock company of RMB0.20 each*	432,667	86,533
Issue of shares**	18,028	3,606
As at 30 September 2025	450,695	90,139

Paid-in capital

	RMB'000
As at 1 January 2022 and 31 December 2022, 2023 and 2024	86,533
Conversion into a joint stock company*	(86,533)
As at 30 September 2025	–

* In May 2025, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The paid-in capital of the Company as of the conversion base date amounting to RMB86,533,000 were converted into 432,667,000 ordinary shares of RMB0.20 each.

** In May 2025, the Group implemented the Share Award Scheme by the way of issuing 18,027,800 shares with total consideration of RMB22,973,000, which increased the share capital and capital reserve by RMB3,606,000 and RMB19,367,000, respectively (note 33).

Pursuant to the shareholders subscription agreements entered into on 22 September 2020, 10 June 2021 and 19 November 2021, the Company issued 81,632,655, 77,380,955 and 28,372,960 ordinary shares (representing the number of shares after conversion into a joint stock company) to the Pre-IPO Investors at RMB6.43, RMB22.62 and RMB31.78 per share, respectively. The aggregate net cash proceed from these transactions amounted to approximately RMB605.36 million (collectively the "Pre-IPO Investments"). And pursuant to the share transfer agreement dated on 26 December 2024, the shareholder Shenzhen Zhirenxing Enterprise Management Partnership (Limited Partnership) transferred 19,666,690 ordinary shares (representing the number of shares after conversion into a joint stock company) to certain Pre-IPO Investors at RMB25.42 per share which was settled on 3 January 2025. Pursuant to the above agreements, the Pre-IPO Investors were granted by the Company with special rights ("Special Rights") which included redemption rights and liquidation preferences rights.

There was no exercise of Special Rights granted by the Company before January 1, 2022 and throughout the Track Record Period.

On 30 April 2025, the Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that the redemption rights and liquidation preferences rights granted by the Company to Pre-IPO investors have been irrevocably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period.

Had the Special Rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements in April 2025, (i) the redemption financial liabilities, total current liabilities, net current liabilities, total non-current liabilities and net deficits would have been:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Redemption financial liabilities	702,157	753,684	811,608
Total current liabilities	655,679	720,637	929,160
Net current liabilities	195,317	203,516	443,469
Total non-current liabilities	132,904	139,197	2,752
Net deficits	(297,164)	(275,619)	(315,349)

and (ii) the finance costs associated with the redemption financial liabilities, the net losses for the year/period, basic and dilutive loss per share would have been:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Financial costs associated with the redemption financial liabilities	(58,893)	51,527	57,924	43,364	22,211
Total net losses	(24,473)	(49,632)	(40,055)	(34,327)	(37,799)
Basic and dilutive loss per share (expressed in RMB)	(0.06)	(0.11)	(0.09)	(0.08)	(0.09)

32. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(i) Capital reserve

Capital reserve of the Group represents the difference between the value of the paid-up capital and the consideration received.

(ii) Share-based payment reserve

The share-based payment reserve of the Group represents the share-based compensation reserve due to equity-settled share-based payment transactions, details of which were set out in note 33 to the Historical Financial Information.

The Company

The amounts of the Company's reserves and the movements there in for the Relevant Periods are presented as follows:

	Capital reserve	Share-based payment reserve	Accumulated loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	568,827	167,075	(351,093)	384,809
Loss for the year	–	–	(58,853)	(58,853)
Total comprehensive loss for the year	–	–	(58,853)	(58,853)
Equity-settled share award expense	–	13,238	–	13,238
Forfeited share award	–	(407)	–	(407)
At 31 December 2022	568,827	179,906	(409,946)	338,787

	Capital reserve	Share-based payment reserve	Accumulated loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	568,827	179,906	(409,946)	338,787
Profit for the year	–	–	26,041	26,041
Total comprehensive income for the year	–	–	26,041	26,041
Equity-settled share award expense	–	70,524	–	70,524
Forfeited share award	–	(951)	–	(951)
At 31 December 2023	568,827	249,479	(383,905)	434,401

	Capital reserve	Share-based payment reserve	Accumulated loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	568,827	249,479	(383,905)	434,401
Profit for the year	–	–	23,827	23,827
Total comprehensive income for the year	–	–	23,827	23,827
At 31 December 2024	568,827	249,479	(360,078)	458,228

	Capital reserve	Share-based payment reserve	Accumulated loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	568,827	249,479	(360,078)	458,228
Profit for the year	–	–	17,894	17,894
Total comprehensive income for the year	–	–	17,894	17,894
Issue of shares *(note 31)*	19,367	–	–	19,367
Equity-settled share award expense	–	24,652	–	24,652
At 30 September 2025	588,194	274,131	(342,184)	520,141

33. SHARE-BASED PAYMENTS

2021 Share Award Scheme

In December 2021, the Group approved and adopted the share award scheme (the "2021 Share Award Scheme") for certain employees of the Group ("Share Incentive Participants") in order to recognise the contributions of the Share Incentive Participants to the growth and development of the Group, and incentivise them to further promote the development of the Group.

In order to implement the 2021 Share Award Scheme, Shenzhen Zhirenxing Enterprise Management Partnership Enterprise (Limited Partnership) ("Zhirenxing") was established and designated as share incentive platforms to hold the shares which were obtained from the Company's shareholder, Han's Laser Technology Industry Group Co., Ltd, specially awarded to the eligible participants as the ultimate beneficial owners. The Group has no control over the share incentive platforms.

On 28 December 2021, the Group granted 3,349,734 (equal to 16,748,650 shares after conversion into a joint stock company) restricted share units ("RSUs") of the Company to 43 eligible employees at a subscription price of zero, which will vest in two tranches, 70% of which will vest in 31 December 2022 with a performance condition set to be the Group's revenue growth rate exceeding 300% as compared with 2021, 30% of which will vest in 31 December 2023 with the target of revenue growth of performance condition not yet determined on 28 December 2021.

For the first tranche, the fair value of granted shares are determined based on the most recent independent equity transactions in December 2021. As the Group did not meet the original revenue growth target of 300% for the first tranche, there's no share-based payment expenses recorded for the first tranche for the year ended 31 December 2022. The shareholders of the Group passed a resolution on 20 June 2023 to vest 70% of the first tranche immediately while the rest to vest until 31 December 2023. This is considered as a regrant of the first tranche shares and RMB58,230,000 is recognised as share-based payment expense for the year ended 31 December 2023 based on the fair value of regrant date which is determined based on the valuation report of independent external valuer.

For the second tranche, the Group has determined the revenue growth rate to be 50% as compared with 2022 with the resolution passed on 20 June 2023 and such date has been determined as the grant date of the second tranche. Considering the group has previously agreed with employees regarding such arrangements on 28 December 2021, therefore the services are effectively being rendered from that date, hence the cost of the award is recognised in 2021, 2022 and 2023, with an amount of RMB73,000, RMB13,237,000 and RMB11,342,000 respectively, based on the fair value of grant date which is determined based on the valuation report of independent external valuer.

2025 Shares Transferred to Directors

Pursuant to share transfer agreements entered into between Sichuan Zhirentuan Enterprise Management Partnership (Limited Partnership) ("Zhirentuan"), which controlled by Mr. Wang Guangneng and Mr. Zhang Guoping, and an investor shareholder of the Company, Zhirentuan acquired 1.80% of the then total registered share capital of the Company (equal to 7,774,540 shares after conversion into a joint stock company), at a total consideration of approximately RMB26,953,000. The transaction was duly completed in February 2025.

The difference between the fair value and the consideration paid was recognised immediately as share-based payment expenses with total amount of RMB11,863,000 in the nine months ended 30 September 2025 as there are no vesting conditions required. The fair value of the shares at the transaction date was determined by reference to the recent valuation report of independent external valuer.

2025 Share Award Scheme

In May 2025, the Group approved and implemented a new share award scheme (the "2025 Share Award Scheme") to motivate key personnel and drive long-term business growth. In order to implement this scheme, Shenzhen Zhirenle Enterprise Management Partnership (Limited Partnership), Shenzhen Zhirenju Enterprise Management Partnership (Limited Partnership), Shenzhen Zhirenxue Enterprise Management Partnership (Limited Partnership) and Shenzhen Zhirenyun Enterprise Management Partnership (Limited Partnership) (collectively as "Employee Share Platforms were established and designated as the share incentive platform to grant the awards to the eligible participants. The Group has no control over these share incentive platforms.

Employee Share Platforms subscribed for 18,027,800 shares of the Company at a subscription price of RMB1.2743 per share. On 30 May 2025, the Group granted 3,605,600 units of the Employee Share Platforms, which are equivalent to 18,010,800 shares, to 175 eligible employees with an exercise price of RMB1.2743 per share, which will be vested in instalments over the next four years. According to the Company's performance appraisal and individual performance appraisal, the granted shares will be vested at a rate of 25% as of the year ended 31 December 2025, 2026, 2027 and 2028, respectively. The fair value of granted shares under the 2025 Share Award Scheme was determined based on the valuation report of independent external valuer.

The fair values of the RSUs/shares granted under the 2021 Share Award Scheme and 2025 Share Award Scheme were estimated as at the grant date by using market approach, taking into account the terms and conditions upon which the RSUs/shares were granted. The following table lists the inputs to the model used:

Grant date	2021 Share Award Scheme	2025 Share Award Scheme
	2023/6/20	2025/5/30
Average enterprise value per sales multiplier of comparable companies	21.93	19.41
Discount for lack of marketability ("DLOM")	23%	14%

The movements of the outstanding RSUs/shares granted under the 2021 Share Award Scheme and 2025 Share Award Scheme during the Relevant Periods were as follows:

2021 Share Award Scheme

	Number of awards equivalent to RSUs
At 1 January 2022	3,349,734
Forfeited during the year	(2,352,797)
Vested during the year	–
At 31 December 2022	996,937
At 1 January 2023	996,937
Granted during the year	2,186,644
Forfeited during the year	(71,171)
Vested during the year	(3,112,410)
At 31 December 2023 and 2024	–

2025 Share Award Scheme

	Number of awards equivalent to shares
At 1 January 2025	–
Granted during the period	18,010,800
At 30 September 2025	18,010,800

During the years ended 31 December 2022 and 2023, the Group recognised share award expense of RMB12,831,000 and RMB69,573,000, respectively in profit or loss.

During the nine months ended 30 September 2025, the Group recognised share award expense of RMB24,652,000 in profit or loss.

34. DISPOSAL OF SUBSIDIARIES

In July 2023, the Group disposed of 60% equity interests in Shenzhen Niuer Commercial Robot Co., Ltd. ("Shenzhen Niuer") to a non-controlling shareholder of Shenzhen Niuer (the "Purchaser"), at a total consideration of RMB10,555,000. The transaction was completed on 8 August 2023.

	8 August 2023
	RMB'000
Net assets disposed of:	
Cash and bank balances	1,420
Trade receivables	359
Prepayments and other receivables	1,015
Inventories	2,937
Property, plant and equipment	672
Intangible Assets	4,623
Trade payables	(8,503)
Contract Liabilities	(2,120)
Other payables and accruals	(4,205)
Non-controlling interests	1,522
	(2,280)
Gain on disposal of subsidiaries	12,835
Total consideration	10,555
Satisfied by:	
Cash	2,000
Receivables*	8,555
Total	10,555

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows.

	2023
	RMB'000
Cash consideration	2,000
Cash and bank balances disposed of	(1,420)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	580

* As of 30 September 2025, the balance of receivables was collected through cash and bill receivables, amounting to RMB6,650,000 and RMB1,905,000, respectively.

35. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables settled by endorsement of bills receivable which were qualified for derecognition	2,942	8,179	26,514	20,892
Addition of right-of-use assets	1,357	1,313	–	15,256

(b) Changes in 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 statement of cash flows as cash flows from financing activities.

	Interest bearing bank borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	–	10,938	10,938
Changes from financing cash flow	9,852	(2,994)	6,858
Changes from lease additions and changes	–	846	846
Accrual of interest	(7)	–	(7)
Accretion of interest	155	489	644
At 31 December 2022 and 1 January 2023	10,000	9,279	19,279
Changes from financing cash flow	(10,212)	(1,937)	(12,149)
Changes from lease additions and early termination	–	(166)	(166)
Accretion of interest	212	303	515
At 31 December 2023 and 1 January 2024	–	7,479	7,479
Changes from financing cash flow	–	(3,247)	(3,247)
Accretion of interest	–	214	214
At 31 December 2024 and 1 January 2025	–	4,446	4,446
At 31 December 2024 and 1 January 2025	–	4,446	4,446
Changes from financing cash flow	–	(2,881))	(2,881)
Changes from lease additions and early termination	–	14,728	14,728
Accretion of interest	–	287	287
At 30 September 2025	–	16,580	16,580
At 31 December 2023 and 1 January 2024	–	7,479	7,479
Changes from financing cash flow (Unaudited)	–	(2,678)	(2,678)
Accretion of interest (Unaudited)	–	169	169
At 30 September 2024 (Unaudited)	–	4,970	4,970

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Within operating activities.	2,553	1,979	1,721	1,098	1,187
Within financing activities.	2,994	1,937	3,247	2,678	2,881
	5,547	3,916	4,968	3,776	4,068

36. PLEDGE OF ASSETS

Details of the Group's restricted bank deposits are included in note 24 to the Historical Financial Information.

37. COMMITMENTS

The Group did not have any significant commitments as at 31 December 2022, 2023 and 2024 and 30 September 2025.

38. RELATED PARTY TRANSACTIONS

The directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the Relevant Periods and nine months ended 30 September 2024.

(a) Name and relationships of the related parties

Name	Relationship
Neura Robotics GmbH	note 1
Han's Laser Technology Industry Group Co., Ltd. (Han's Laser) ("大族激光科技產業集團股份有限公司")	Has significant influence over the Company
Shenzhen Han's Motor S&T Co., Ltd. ("深圳市大族電機科技有限公司")	Subsidiary of Han's Laser
Shenzhen Han's Lithium Battery Intelligent Equipment Co., Ltd. ("深圳市大族鋰電智能裝備股份有限公司")	Subsidiary of Han's Laser
Shenzhen Han's Beijing Equipment Co., Ltd. ("深圳市大族貝金裝備有限公司")	Subsidiary of Han's Laser
Han's Photoelectric Equipment Co., Ltd. ("深圳市大族封測科技股份有限公司")	Subsidiary of Han's Laser
Shenzhen Han's Semiconductor Equipment Technology Co., Ltd. ("深圳市大族半導體裝備科技有限公司")	Subsidiary of Han's Laser
Shenzhen Han's CNC Technology Co., Ltd. ("深圳市大族數控科技股份有限公司")	Subsidiary of Han's Laser
Jiangsu Dazu Intelligent Welding Equipment Group Co., Ltd. ("江蘇大族智能焊接裝備集團有限公司")	Subsidiary of Han's Laser
Hans Laser Smart Equipment Group Co., Ltd. ("大族激光智能裝備集團有限公司")	Subsidiary of Han's Laser
Shenzhen Hans Vision Technology Co., Ltd. ("深圳市大族視覺技術有限公司")	Subsidiary of Han's Laser
GD Han's Yueming Laser Group Co., Ltd. ("廣東大族粵銘激光集團股份有限公司")	Subsidiary of Han's Laser
Shenzhen Hans YC Technology Co., Ltd. ("深圳市大族雲成科技有限公司")	Subsidiary of Han's Laser

Name	Relationship
Shanghai Han's Industrial Co., Ltd. ("上海大族實業有限公司")	Subsidiary of Han's Laser
Laser Smart Equipment Group Co., Ltd. ("大族激光智能裝備集團有限公司")	Subsidiary of Han's Laser
Shanghai Fortrend Technology Co., Ltd. ("上海大族富創得科技有限公司")	Subsidiary of Han's Laser
Dongguan Hanchuan Technology Co., Ltd. Shenzhen Branch ("東莞市漢傳科技有限公司深圳分公司")	Subsidiary of Han's Laser
Han's Laser Corp.	Subsidiary of Han's Laser
HAN'S LASER KOREA CO., LTD	Subsidiary of Han's Laser
Han's Laser Science & Technology (Thailand) Co., Ltd.	Subsidiary of Han's Laser
Han's Laser Intelligent Technology (Jinan) Co., Ltd. ("大族激光智能科技(濟南)有限公司")	Subsidiary of Han's Laser
GD Han's Yueming Laser Group Co., Ltd. ("廣東大族粵銘智能裝備股份有限公司")	Subsidiary of Han's Laser
Shenzhen Dazu Machine Tool Technology Co., Ltd. ("深圳市大族機床科技有限公司")	Subsidiary of Han's Laser
Shenzhen Han Nationality Intelligent Welding Equipment Co., Ltd. ("深圳市大族智能焊接裝備有限公司")	Subsidiary of Han's Laser
Wuhan Hans Goldensky Laser SYSTEM Co., Ltd. ("武漢大族金石凱激光系統有限公司")	Subsidiary of Han's Laser
Shenzhen Dazu Properties Management Co., Ltd. ("深圳市大族物業管理有限公司")	Subsidiary of Han's Laser
Shenzhen Shanchuan Harmonic Transmission Technology Co., Ltd. ("Shanchuan Harmonic") ("深圳市杉川諧波傳動科技有限公司")	note 2
Han's Laser Semiconductor Equipment Technology Co., Ltd. ("廣東大族半導體裝備科技有限公司")	Subsidiary of Han's Laser
Shenzhen Mason Electronics Co., Ltd. ("深圳麥遜電子有限公司")	Subsidiary of Han's Laser

Note 1: Neura Robotics Gmbh was the joint venture of the Group till August 2023. The Group disposed of Neura Robotics GmbH in August 2023, after which it was no longer a related party of the Group, refer to note 17 for more details.

Note 2: Shanchuan Harmonic was a subsidiary of Han's Laser till March 2023. The Han's Laser disposed of Shanchuan Harmonic in March 2023, after which it was no longer a related party of the Group.

(b) The Group had the following transactions with related parties during the Relevant Periods and nine months ended 30 September 2024:

Sales of products

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Neura Robotics GmbH	11,651	6,865	NA	NA	NA
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries	12,596	16,710	16,072	11,841	9,664
	24,247	23,575	16,072	11,841	9,664

Purchases of products and other assets

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Neura Robotics GmbH	8,721	1,934	NA	NA	NA
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries	6,227	2,347	729	498	738
	14,948	4,281	729	498	738

Lease

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries					
Lease payments in respect of short-term leases and low-value assets leases	108	187	168	146	51
Interest on lease liabilities	377	263	214	169	248
Addition of right-of-use assets	1,190	1,313	–	–	10,613

Utilities paid and purchase of property services

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries	957	921	1,143	902	1,377

(c) Outstanding balances with related parties:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Due from a related party – trade in nature:				
Neura Robotics GmbH*	23,941	NA	NA	NA
Neura Robotics GmbH**	15,880	NA	NA	NA
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries*	332	550	125	377
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries**	20,415	19,281	9,187	7,860
	60,568	19,831	9,312	8,237

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Due from related parties – non-trade in nature:				
Neura Robotics GmbH***	84,017	NA	NA	NA
Due to related parties – trade in nature:				
Neura Robotics GmbH****	369	NA	NA	NA
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries****	3,008	3,390	176	514
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries*****	3,769	209	577	308
	7,146	3,599	753	822
Lease liabilities – trade in nature:				
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries	9,279	7,479	4,446	13,973

* Included in "Prepayments, deposits and other receivables" in the consolidated statement of financial position

** Included in "Trade and bills receivables" in the consolidated statement of financial position

*** Include the loan and interest receivables in the consolidated statement of financial position. Please refer to note 21.

**** Included in "Other payables and accruals" in the consolidated statement of financial position

***** Included in "Trade payable" in the consolidated statement of financial position. The Group's trade receivables are amounts due from related parties are repayable on credit terms similar to those offered to the major customers of the Group.

(d) Compensation of key management personnel of the Group

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	2,193	2,143	2,308	1,346	1,206
Performance related bonus	830	1,010	1,098	715	773
Pension scheme contributions	123	219	121	77	63
Equity-settled share-based payment expenses	5,904	37,109	–	–	14,131
	9,050	40,481	3,527	2,138	16,173

Further details of executive directors' and supervisors' remuneration are included in note 8 to the Historical Financial Information.

(a) At 31 December 2022, certain bank loan of the Group in the amount of RMB10,000,000 were guaranteed by Mr. Wang Guangneng and the guarantee was released along with the maturity of the bank loan in December 2023.

(e) According to the share subscription agreements and supplemental agreement entered into by the Company and the shareholders from September 2020 to April 2025, the Pre-IPO investors were granted the redemption right by Mr. Wang Guangneng. The Company has not provided any form of guarantee in connection with any potential failure of Mr. Wang Guangneng to fulfill his obligations relating to the redemption rights granted by Mr. Wang Guangneng. Accordingly, no financial liability regarding redemption rights granted by Mr. Wang Guangneng was recorded by the Company during the Track Record Period.

39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods were as follows:

The Group

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit and loss:	119,552	75,261	31,047	42,607
	119,552	75,261	31,047	42,607
Financial assets at amortised cost:				
Trade and bills receivables	47,959	69,692	111,646	134,565
Financial assets included in other receivables and other assets	87,793	31,013	27,224	7,988
Restricted bank deposits	–	–	36	36
Cash and cash equivalents	36,328	107,476	120,520	101,151
Time deposits with original maturity of over three months	30,471	80,024	116,476	146,234
	202,551	288,205	375,902	389,974
Financial assets at fair value through other comprehensive income	3,782	776	1,334	3,834
Financial liabilities				
Financial liabilities at amortised cost:				
Trade payables	25,375	48,973	70,803	92,114
Financial liabilities included in other payables and accruals	17,524	18,332	12,837	14,570
Interest-bearing bank loans	10,000	–	–	–
	52,899	67,305	83,640	106,684

For the details of Pre-IPO investments, please refer to note 31 to this report.

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the financial assets and financial liabilities at fair value through profit and loss have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

Financial assets:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management product	–	119,552	–	119,552
Financial assets at fair value through other comprehensive income	–	3,782	–	3,782
	–	123,334	–	123,334

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management product	–	75,261	–	75,261
Financial assets at fair value through other comprehensive income	–	776	–	776
	–	76,037	–	76,037

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management product	–	11,047	–	11,047
Structured deposits	–	20,000	–	20,000
Financial assets at fair value through other comprehensive income	–	1,334	–	1,334
	–	32,381	–	32,381

As at 30 September 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management product	–	42,607	–	42,607
Structured deposits	–	–	–	–
Financial assets at fair value through other comprehensive income	–	3,834	–	3,834
	–	46,441	–	46,441

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, financial assets at fair value through profit or loss and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/(decrease) in basis points	Increase/(decrease) in profit before tax
	%	*RMB'000*
Year ended 31 December 2022		
If RMB weakens against the USD	5	(420)
If RMB strengthens against the USD	5	420
If RMB weakens against the EUR	5	(1,997)
If RMB strengthens against the EUR	5	1,997

	Increase/(decrease) in basis points	Increase/(decrease) in profit before tax
	%	RMB'000
Year ended 31 December 2023		
If RMB weakens against the USD	5	(485)
If RMB strengthens against the USD	5	485
If RMB weakens against the EUR	5	(5,610)
If RMB strengthens against the EUR	5	5,610
Year ended 31 December 2024		
If RMB weakens against the USD	5	(36)
If RMB strengthens against the USD	5	36
If RMB weakens against the EUR	5	(3,375)
If RMB strengthens against the EUR	5	3,375
Nine months ended 30 September 2025		
If RMB weakens against the USD	5	(240)
If RMB strengthens against the USD	5	240
If RMB weakens against the EUR	5	(1,348)
If RMB strengthens against the EUR	5	1,348

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets included in prepayments, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

For other receivables, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	1,096	–	–	49,830	50,926
Financial assets included in deposits and other receivables	88,082	–	–	–	88,082
Cash and cash equivalents	36,328	–	–	–	36,328
Time deposits	30,471	–	–	–	30,471
Financial assets at fair value through other comprehensive income	3,782	–	–	–	3,782
	159,759	–	–	49,830	209,589

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	814	–	–	70,922	71,736
Financial assets included in deposits and other receivables	31,534	–	–	–	31,534
Cash and cash equivalents	107,476	–	–	–	107,476
Time deposits	80,024	–	–	–	80,024
Financial assets at fair value through other comprehensive income	776	–	–	–	776
	220,624	–	–	70,922	291,546

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	3,513	–	–	109,920	113,433
Financial assets included in deposits and other receivables	27,991	–	–	–	27,991
Restricted bank balances	36	–	–	–	36
Cash and cash equivalents	120,520	–	–	–	120,520
Time deposits	116,476	–	–	–	116,476
Financial assets at fair value through other comprehensive income	1,334	–	–	–	1,334
	269,870	–	–	109,920	379,790

As at 30 September 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	9,372	–	–	127,604	136,976
Financial assets included in deposits and other receivables	3,135	–	–	–	3,135
Restricted bank balances	36	–	–	–	36
Cash and cash equivalents	101,151	–	–	–	101,151
Time deposits	146,234	–	–	–	146,234
Financial assets at fair value through other comprehensive income	3,834	–	–	–	3,834
	263,762	–	–	127,604	391,366

* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

As at 31 December 2022

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	25,375	–	25,375
Financial liabilities included in other payables and accruals	17,524	–	17,524
Lease liabilities	3,039	7,020	10,059
Interest-bearing bank loans	10,121	–	10,121
	56,059	7,020	63,079

As at 31 December 2023

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	48,973	–	48,973
Financial liabilities included in other payables and accruals	18,332	–	18,332
Lease liabilities	2,283	5,589	7,872
	69,588	5,589	75,177

As at 31 December 2024

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	70,803	–	70,803
Financial liabilities included in other payables and accruals	12,837	–	12,837
Lease liabilities	2,252	2,373	4,625
	85,892	2,373	88,265

As at 30 September 2025

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	92,114	–	92,114
Financial liabilities included in other payables and accruals	14,570	–	14,570
Lease liabilities	3,861	13,713	17,574
	110,545	13,713	124,258

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The asset-liability ratios as at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	491,419	584,215	616,563	680,231
Total liabilities	86,426	106,150	120,304	152,138
Asset-liability ratio	18%	18%	20%	22%

* Asset-liability ratio is calculated by dividing total liabilities by total assets.

42. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

As part of its normal business, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland to certain of its suppliers in order to settle the trade payables due to such suppliers. As at 31 December 2022, 2023 and 2024 and 30 September 2025, the bills receivable with a carrying amount of RMB346,000, RMB537,000 and RMB1,887,000 and RMB5,056,000, respectively, were endorsed to its supplier. The Group considers that it has retained substantially all the risks and rewards, including default risks relating to such endorsed bills. Accordingly, it continued to recognise the full carrying amounts of the endorsed bills and associated trade payables. Subsequent to the endorsement, the Group did not retain any rights on the use of the endorsed bills including the right of sale, transfer or pledge of the bills to any other third parties.

Transferred financial assets that are derecognised in their entirety

As part of its normal business, the Company endorsed certain bills receivable accepted by banks in Chinese Mainland to suppliers with a carrying amount in aggregate of RMB2,046,000, RMB6,151,000, and RMB17,955,000 and RMB13,640,000 as at 31 December 2022, 2023 and 2024 and 30 September 2025, respectively (the "Derecognised Bills"). The Derecognised Bills had a maturity of one to six months at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills including the Company, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the directors, the risk of the Company being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Company has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

43. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred in respect of any period subsequent to 30 September 2025.

44. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 30 September 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, 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 purpose only. The unaudited pro forma 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 PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the parent as if the Global Offering had taken place on 30 September 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group to owners of the parent had the Global Offering been completed as of 30 September 2025 or as at any future dates.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025	Estimated net Proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets as at 30 September 2025	Unaudited pro forma adjusted consolidated net tangible assets per Share as at 30 September 2025	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3&4)*	*(Note 5)*
Based on an Offer Price of HK$17.00 per Share . . .	525,841	1,144,683	1,670,524	3.14	3.56

Notes:

1. The consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2025 is derived from the Accountant's Report as set out in Appendix I to this document, which is based on the audited consolidated net assets of the Group attributable to the owners of the Company as at 30 September 2025 of RMB528,093,000, with an adjustment for the intangible assets attributable to the owners of the Company as at 30 September 2025 of RMB2,252,000.

2. The estimated net proceeds from the Global Offering are based on the Offer Price of HK$17 per Share, after deduction of the underwriting fees and other related expenses payable by the Company (excluding the listing expense that have been charged to profit or loss during the Track Record Period) and do not take into account any share which may be sold and offered upon exercise of the Over-allotment Option.

3. The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share are arrived at by dividing the unaudited pro forma adjusted net tangible assets by 531,479,980 shares, which is presented for illustrative purposes and assumes that Global Offering of 80,785,000.00 Offer Shares had been completed on 30 September 2025 and do not take into account any share which may be sold and offered upon exercise of the Over-allotment Option.

4. For the purpose of this unaudited pro forma statement of adjusted net tangible assets, the balances stated in RMB are converted into HK$ at the rate of RMB1.00 to HK$1.13384.

5. No other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2025.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

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To the Directors of Guangdong Huayan Robotics Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Guangdong Huayan Robotics Co., Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 30 September 2025, and related notes as set out on pages II-1 to II-2 of the prospectus dated 20 March 2026 issued by the Company (the "Unaudited Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 30 September 2025 as if the transaction had taken place at 30 September 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 September 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma 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:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Certified Public Accountants
Hong Kong
20 March 2026

The following is the preliminary financial information of our Group as at and for the year ended 31 December 2025 (the "2025 Preliminary Financial Information"), together with comparative financial information as of and for the year ended 31 December 2024 and a management's discussion and analysis of results of our Group's financial position and results of operations. The 2025 Preliminary Financial Information has been prepared based on the consolidated financial statements of the Group prepared in accordance with IFRS Accounting Standards. The 2025 Preliminary Financial Information does not constitute the audited consolidated financial statements of the Group for the year ended 31 December 2025. The 2025 Preliminary Financial Information was not audited. Investors should bear in mind that the 2025 Preliminary Financial Information in this appendix may be subject to adjustments.

2025 PRELIMINARY FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
	Notes	**2025**	**2024**
		RMB'000	*RMB'000*
REVENUE	*4*	386,867	310,441
Cost of sales		(241,398)	(204,008)
Gross profit		145,469	106,433
Other income and gains	*4*	11,297	15,372
Selling and distribution expenses		(58,573)	(41,941)
Administrative expenses		(58,748)	(12,543)
Research and development expenses		(73,931)	(47,283)
Provision for impairment losses on financial assets		(898)	(72)
Other expenses		(688)	(3,043)
Finance costs	*6*	(378)	(214)
(LOSS)/PROFIT BEFORE TAX	*5*	(36,450)	16,709
Income tax credit	*7*	6,533	1,160
(LOSS)/PROFIT FOR THE YEAR		(29,917)	17,869
OTHER COMPREHENSIVE (LOSS) INCOME			
Other comprehensive income that may be classified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(340)	325

	Notes	Year ended 31 December 2025	2024
		RMB'000	RMB'000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(30,257)	18,194
(Loss) Profit attributable to:			
Owners of the parent		(29,917)	17,869
Total comprehensive income attributable to:			
Owners of the parent		(30,257)	18,194
(LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted (RMB per share)		(0.07)	0.04

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2025	2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		19,081	14,332
Right-of-use assets		15,280	4,206
Other intangible assets		4,341	1,452
Deferred tax assets		53,599	47,066
Prepayments, deposits and other receivables-non-current		411	1,964
Time deposits with original maturity of over three months		107,847	61,852
Total non-current assets		200,559	130,872
CURRENT ASSETS			
Inventories	*10*	103,590	127,978
Trade and bills receivables	*11*	157,570	111,646
Prepayments, deposits and other receivables	*12*	27,705	38,506
Financial assets at fair value through profit or loss		71,513	31,047
Financial assets at fair value through other comprehensive income		916	1,334
Time deposits with original maturity of over three months		32,144	54,624

	Notes	As at 31 December	
		2025	2024
		RMB'000	*RMB'000*
Restricted bank deposits		–	36
Cash and cash equivalents		74,329	120,520
Total current assets		467,767	485,691
CURRENT LIABILITIES			
Trade payables	*13*	72,005	70,803
Other payables and accruals	*14*	49,333	36,640
Lease liabilities		4,202	2,121
Contract liabilities		5,322	6,894
Provision		1,039	1,094
Total current liabilities		131,901	117,552
NET CURRENT ASSETS		335,866	368,139
TOTAL ASSETS LESS CURRENT LIABILITIES		536,425	499,011
NON-CURRENT LIABILITIES			
Deferred income		123	427
Lease Liabilities		12,162	2,325
Total non-current liabilities		12,285	2,752
Net assets		524,140	496,259
EQUITY			
Equity attributable to owners of the parent			
Share capital	*15*	90,139	–
Paid-in capital	*15*	–	86,533
Reserves		434,001	409,726
		524,140	496,259
Total equity		524,140	496,259

NOTES TO THE 2025 PRELIMINARY FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company is a joint stock company with limited liability incorporated in Shenzhen, People's Republic of China (the "**PRC**"). The registered office address of the Company is 1101, Building 9, Haichuang Dazu Robot Intelligent Manufacturing Center, No. 3 Erzhi Industrial Avenue, Xihai Village, Beijiao Town, Shunde District, Foshan City, Guangdong Province, the PRC.

The Company and its subsidiaries (together, the "Group") are principally engaged in the research and development, manufacturing and commercialization of intelligent robots.

2. BASIS OF PREPARATION

This 2025 Preliminary Financial Information has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited in relation to annual results announcements.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand except when otherwise indicated.

The 2025 Preliminary Financial Information does not include all of the information required for a complete set of financial statements prepared in accordance with the IFRS Accounting Standards.

3. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the 2025 Preliminary Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[1]

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual/reporting periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making a detailed assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	386,867	310,441
	386,867	310,441

Revenue from contracts with customers

Disaggregated revenue information

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Types of goods or services		
Sale of products	385,771	308,202
Services	1,096	2,239
	386,867	310,441
Geographical market		
Chinese mainland	244,541	154,542
European	114,241	124,328
Americas	14,728	24,025
Others	13,357	7,546
	386,867	310,441
Timing of revenue recognition		
Goods transferred at a point in time	385,771	308,202
Maintenance services transferred at a point in time	938	1,455
Advisory services transferred over time	158	784
Total revenue from contracts with customers	386,867	310,441

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of products	6,894	9,844

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Other income		
Interest income	1,233	1,987
Investment income from wealth management products and structured deposits	747	1,932
Investment income from certificate of deposit	3,639	3,371
Government grants*	392	7,669
Others	443	366
Gains		
Fair value gains on financial assets at fair value through profit or loss	466	47
Gain on early termination of a lease	30	–
Foreign exchange gains, net	4,347	–
	11,297	15,372

* The Group has received certain government grants related to assets and income. Certain of the grants related to assets and income have future related costs expected to be incurred. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets. The grants related to income have been received to compensate for the Group's research and development costs and are recognised in profit or loss on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

Other government grants related to income that are received 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 recognised in profit or loss in the period in which they become receivable. There are no unfulfilled conditions or contingencies relating to these grants.

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

		Year ended 31 December	
	Notes	2025	2024
		RMB'000	*RMB'000*
Cost of inventories sold*		240,878	203,016
Cost of services provided		520	992
Research and development costs		73,931	47,283
Depreciation of property, plant and equipment**		5,838	5,306
Depreciation of right-of-use assets**		3,684	2,081
Amortisation of intangible assets**		941	739
Loss on disposal of property, plant and equipment***		35	–
Foreign exchange (gains)/losses, net***		(4,347)	2,003
Lease payments in respect of short-term leases and low-value assets leases		1,554	1,721
Impairment/(reversal of impairment) of trade receivables	*11*	1,652	(183)

	Notes	Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
(Reversal of impairment)/impairment of other receivables	12	(753)	257
Write-down of inventories to net realisable value****		3,757	4,251
Product warranty provision		441	1,259
Auditor's remuneration		14	252
Listing expenses		20,477	–
Employee benefit expenses (excluding directors' and supervisors' remuneration			
– Wages and salaries		90,069	58,826
– Performance related bonus		15,364	8,774
– Pension scheme contributions		5,625	3,666
– Share-based payments expenses		19,068	–
Total		130,126	71,266

* The amounts disclosed for cost of inventories sold included write-down of inventories to net realisable value

** The depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses", and "Research and development expenses" in profit or loss, respectively

*** The amounts are included in "other income and gains" and "other expenses" in profit or loss

**** The amounts are included in "cost of inventories sold" in profit or loss.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities	378	214

7. INCOME TAX

The income tax profit of the Group is analysed as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax	–	–
Deferred income tax	(6,533)	(1,160)
Total tax credit for the year	(6,533)	(1,160)

A reconciliation of the expected income tax calculated at the preferential tax rate and (loss)/profit before income tax, with the actual income tax at the effective tax rate is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
(Loss)/profit before tax	(36.450)	16,709
Tax charge at the statutory tax rate of 25%	(9,113)	4,177
Entities subject to lower statutory income tax rate	5,828	(928)
Additional deductible allowance for qualified research and development expenses*	(7,850)	(5,610)
Temporary differences and tax losses not recognised	406	275
Expenses not deductible for tax	4,196	1,050
Tax losses utilised from previous periods	–	(124)
Tax (credit)/expense at the Group's effective tax rate	(6,533)	(1,160)

8. DIVIDENDS

No dividend was paid or declared by the Company for the year ended 31 December 2025.

9. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (losses)/earnings per share amounts is based on the (loss)/profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year ended at 31 December 2025 and 2024. The weighted average number of ordinary shares in issue, as adjusted to reflect the conversion into a joint stock company with limited liability on 13 May 2025 (note 15).

No adjustment has been made to the basic (losses)/earnings per share amounts presented for the year ended 31 December 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

The calculations of basic and diluted (losses)/earnings per share are based on:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
(Losses)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	(27,276)	17,869
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings/(losses) per share calculation	443,335,686	432,667,180

10. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Raw materials	33,412	52,192
Work in process	51,294	58,937
Finished goods	17,827	13,716
Goods in transit	1,057	3,133
	103,590	127,978

The inventories of the Group are net of a write-down of approximately RMB12,720,000 as at 31 December 2025 (2024: RMB21,544,000).

11. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade receivables		
– Third parties	145,356	101,039
– Related parties	6,848	8,881
Less: impairment of trade receivables	(3,366)	(1,787)
Trade receivables, net	148,838	108,133
Bills receivables	8,732	3,513
	157,570	111,646

An ageing analysis of the trade receivables as at the end of each of the for the year ended 31 December 2025 and 2024, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	139,796	97,410
1 to 2 years	5,747	5,000
2 to 3 years	3,295	5,723
	148,838	108,133

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current		
Value-added tax recoverable	8,970	4,813
Deferred listing expenses	4,513	–
Right-of-return assets	1,600	2,636
Prepayments	10,854	3,833
Tax recoverable	302	977
Amounts due from Neura Robotics*	–	18,822
Deposits	771	139
Other receivables	709	8,053
Less: Impairment of other receivables and deposit	13	767
	27,706	38,506
Non-Current		
Prepayments for property, plant and equipment	410	1,964
	28,116	40,470

* Non-trade amounts due from Neura Robotics were unsecured with the fixed interest rate of 1.0% per annum and had been settled in February 2025.

13. TRADE PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade payables	72,005	70,803

An ageing analysis of the trade payables as at the end of each of the year ended at 31 December 2025 and 2024, based on the invoice date, is as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	70,490	67,489
Over 1 year	1,515	3,314
	72,005	70,803

The trade payables are non-interest-bearing and are normally settled on terms on 1-3 months terms.

14. OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Payroll payable	25,088	18,295
Other tax payables	4,049	1,304
Refund liabilities	2,621	4,204
Other payables	17,575	12,837
	49,333	36,640

15. SHARE CAPITAL/PAID-IN CAPITAL

Share Capital

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital
	(in thousand)	*RMB'000*
As at 1 January 2025	–	–
Issue of ordinary shares upon conversion into a joint stock company of RMB0.20 each*	432,667	86,533
Issue of shares**	18,028	3,606
As at 31 December 2025	450,695	90,139

Paid-in capital

	RMB'000
As at 31 December 2024	86,533
Conversion into a joint stock company*	(86,533)
As at 31 December 2025	–

* In May 2025, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The paid-in capital of the Company as of the conversion base date amounting to RMB86,533,000 were converted into 432,667,000 ordinary shares of RMB0.20 each.

** In May 2025, the Company implemented the Share Award Scheme by the way of issuing 18,027,800 shares with total consideration of RMB22,973,000, which increased the share capital and capital reserve by RMB3,606,000 and RMB19,367,000, respectively.

16. COMMITMENTS

The Company did not have any significant commitments as at 31 December, 2025 and 2024.

17. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred in respect of any period subsequent to 31 December 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Business Review

We are a company specializing in collaborative robots ("**cobots**"). With our expertise in cobot and core motion component development, we primarily sell robot hardware to customers in Chinese Mainland, Europe, the Americas and other regions in Asia. Leveraging our capabilities spanning core motion components, cobot hardware and hardware-native HRC Embodied Intelligence Control Platform, our cobots deliver high stability, precision and motion control.

We generate revenue primarily through sales of products, under which we sell cobots such as our E Series and S Series cobots, as well as core motion components such as precision motion platforms and joint modules. To a lesser extent, we also generate revenue through the provision of cobot services, mainly the quality assurance and maintenance services in relation our cobots sold to customers.

Our revenue demonstrated steady growth, increasing by 24.6% from RMB310.4 million in 2024 to RMB386.9 million in 2025. We had profit for the year of RMB17.9 million in 2024 and loss for the year of RMB29.9 million in 2025.

Future Plans and Prospects

We plan to implement the following strategies:

1. deepening our R&D capabilities;

2. developing our overseas business to strengthen our market leadership; and

3. upgrading and expanding our production capabilities.

See "Future Plans and Use of Proceeds" for details.

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2025 and up to the Latest Practicable Date.

DESCRIPTION OF SELECTED ITEMS IN CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

Our revenue increased by 24.6% from RMB310.4 million in 2024 to RMB386.9 million in 2025, primarily due to an increase in revenue generated from sale of products.

Our revenue from cobots increased by 21.8% from RMB235.5 million in 2024 to RMB286.8 million in 2025, primarily due to (i) a significant increase in the sales volume of our S Series cobots, in particular, our S20 cobots, which was launched in 2023 and had been increasingly well-accepted by the market; and (ii) a significant increase in the sales volume of our E Series cobots, primarily driven by the market recognition of the high-quality of our products.

Our revenue from our core motion components increased by 36.2% from RMB72.7 million in 2024 to RMB99.0 million in 2025, primarily due to (i) an increased sales volume of high precision platform, mainly due to an increased demand of customers in China; and (ii) an increased sales volume of joint module products, particularly to a major customer in Europe, as a result of their increased demand.

Cost of Sales

Our cost of sales increased by 18.3% from RMB204.0 million in 2024 to RMB241.4 million in 2025, which is in line with the growth of our revenue.

Gross Profit and Gross Profit Margin

Our gross profit increased by 36.7% from RMB106.4 million in 2024 to RMB145.5 million in 2025, with gross profit margin improving from 34.3% to 37.6%, primarily due to the increase in gross profit and gross profit margin of our sales of cobots.

The gross profit from our cobots increased by 31.2% from RMB82.8 million in 2024 to RMB107.9 million in 2025. The gross profit margin of our cobots increased from 35.2% in 2024 to 38.0% in the 2025. This was primarily driven by the increase in the gross profit margin of our E Series cobots, since the cost of raw materials and production as a proportion of our revenue decreased as a result of our further improved economies of scale and production efficiency.

The gross profit from our core motion components increased by 46.6% from RMB26.6 million in 2024 to RMB39.0 million in 2025. The gross profit margin from our core motion components increased from 36.6% in 2024 to 40.1% in 2025, primarily due to an increase in the revenue from precision motion platforms and joint module products which achieved higher gross profit margin due to greater economies of scales.

Other Income and Gains

Other income decreased by 26.5% from RMB15.4 million in 2024 and RMB11.3 million in 2025, mainly due to our strategic decision to withdraw from a government-subsidized R&D project, the amount of which were deducted from the total amount of government grants received in 2025. Following the relocation of our headquarters from Shenzhen to Foshan, Guangdong Province, we decided not to participate in the R&D project subsidized by the relevant Shenzhen authorities. The requirement for reporting to and supervision by these authorities was no longer commercially reasonable in light of our new location. Such a decrease was partially offset by an increase in foreign exchange rates, as the EUR/RMB exchange rate were more favorable in 2025 than in 2024.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 39.6% from RMB41.9 million for 2024 to RMB58.6 million for 2025, mainly due to an increase in employee compensation in line with our revenue growth.

Administrative Expenses

Our administrative expenses significantly increased from RMB12.5 million for 2024 to RMB58.7 million for 2025, mainly due to (i) an increase in share-based payment; and (ii) an increase in listing expenses incurred in connection with the Global Offering and the Listing.

Research and Development Expenses

Our research and development expenses increased by 56.2% from RMB47.3 million for 2024 to RMB73.9 million for 2025, mainly due to (i) an increase in employee compensation, and (ii) an increase in material expenses, in line with our revenue growth. Such an increase was also because we recorded share-based payment in 2025.

Income Tax Credit

Our income tax credit significantly increased from RMB1.2 million in 2024 to RMB6.5 million in 2025, primarily because of the share-based payment expenses which were one of the primary causes for loss of 2025 and 2024, and these expenses are not deductible when calculating the taxable income. See Note 7 of the 2025 Preliminary Financial Information in Appendix IIA to this Prospectus.

Loss for the Year

As a result of the foregoing, we had profit for the year of RMB17.9 million in 2024 and loss for the year of RMB29.9 million in 2025.

DISCUSSION OF SELECTED ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table sets forth selected information from our summary consolidated balance sheet as of the dates indicated, which has been extracted from preliminary financial information of our Group included in Appendix IIA to this Prospectus:

	As of December 31,	
	2025	2024
	(RMB in thousands)	
	(unaudited)	
Total current assets	467,767	485,691
Total non-current assets	200,559	130,872
Total assets	**668,326**	**616,563**
Total current liabilities	131,901	117,552
Total non-current liabilities	12,285	2,752
Total liabilities	**144,186**	**120,304**
Total equity	**524,140**	**496,259**

Non-Current Assets and Liabilities

The table below sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,	
	2025	2024
	(RMB in thousands)	
	(unaudited)	
NON-CURRENT ASSETS		
Property, plant and equipment	19,081	14,332
Right-of-use assets	15,280	4,206
Other intangible assets	4,341	1,452
Deferred tax assets	53,599	47,066
Prepayments, deposits and other receivables- non-current	411	1,964
Time deposits with original maturity of over three months	107,847	61,852
Total non-current assets	**200,559**	**130,872**
NON-CURRENT LIABILITIES		
Deferred income	123	427
Lease Liabilities	12,162	2,325
Total non-current liabilities	**12,285**	**2,752**

Property, Plant and Equipment

Our property, plant and equipment increased by 33.6% from RMB14.3 million as of December 31, 2024 to RMB19.1 million as of December 31, 2025, primarily because (i) an increase in leasehold improvement primarily attributable to the refurbishing of our leased office spaces in Shenzhen, Guangdong Province and the production facilities in Foshan, Guangdong Province; and (ii) an increase in machinery and equipment, primarily attributable to additions of production equipment.

Right-of-Use Assets

Our right-of-use assets significantly increased from RMB4.2 million as of December 31, 2024 to RMB15.3 million as of December 31, 2025, primarily because of the newly leased space for R&D activities in Shenzhen, Guangdong Province and our newly leased production facilities in Foshan, Guangdong Province.

Deferred Tax Assets

Our deferred tax assets increased by 13.8% from RMB47.1 million as of December 31, 2024 to RMB53.6 million as of December 31, 2025, primarily because of the increase in deductible accumulated tax losses we had as of December 31, 2025.

Net Current Assets

The table below sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,	
	2025	**2024**
	(RMB in thousands)	
	(unaudited)	
CURRENT ASSETS		
Inventories	103,590	127,978
Trade and bills receivables	157,570	111,646
Prepayments, deposits and other receivables	27,705	38,506
Financial assets at fair value through profit or loss	71,513	31,047
Financial assets at fair value through other comprehensive income	916	1,334
Time deposits with original maturity of over three months	32,144	54,624
Restricted bank deposits	–	36
Cash and cash equivalents	74,329	120,520
Total current assets	**467,767**	**485,691**

	As of December 31,	
	2025	2024
	(RMB in thousands)	
	(unaudited)	
CURRENT LIABILITIES		
Trade payables	72,005	70,803
Other payables and accruals	49,333	36,640
Lease liabilities	4,202	2,121
Contract liabilities	5,322	6,894
Provision	1,039	1,094
Total current liabilities	**131,901**	**117,552**
Net current assets	**335,866**	**368,139**

Our net current assets remained relatively stable at RMB368.1 million as of December 31, 2024 and RMB335.9 million as of December 31, 2025.

Inventories

Our inventory decreased by 19.1% from RMB128.0 million as of December 31, 2024 to RMB103.6 million as of December 31, 2025, primarily because of a decrease in raw materials mainly as a result of our improving inventory management measures.

The following table sets forth the turnover days of our inventories for the years indicated:

	For the Year Ended December 31,	
	2025	2024
Inventory turnover day(1)	175.1	213.5

Note:

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a period divided by cost of sales for the relevant period and multiplied by 365 days.

Our turnover days of inventories decreased from 213.5 days for 2024 to 175.1 days for 2025, mainly due to our improving inventory management measures.

Trade and Bills Receivables

Our trade and bills receivables increased by 41.2% from RMB111.6 million as of December 31, 2024 to RMB157.6 million as of December 31, 2025, in line with our revenue growth.

The table below sets forth a summary of turnover days of trade and bills receivables as at the dates indicated:

	For the Year Ended December 31,	
	2025	2024
Trade and bills receivables turnover day[1]	127.0	106.6

Note:

(1) Trade and bills receivables turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables for a period divided by revenue for the relevant period and multiplied by 365 days.

Our turnover days of trade and bills receivables increased from 106.6 days for 2024 to 127.0 days for 2025, mainly as a result of an increase in the sales of our products and the longer payment cycles of certain customers due to their internal business and budget cycles.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables (including current and non-current portion) decreased by 30.6% from RMB40.5 million as of December 31, 2024 to RMB28.1 million as of December 31, 2025, primarily attributable to a decrease in amounts due from Neura Robotics, primarily as a result of the repayment of the borrowings by Neura Robotics.

Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss significantly increased from RMB31.0 million as of December 31, 2024 to RMB71.5 million as of December 31, 2025, primarily because (i) we newly purchased financial assets at fair value through profit or loss with our idle cash; and (ii) the fair value of our financial assets increased in 2025.

Time Deposits with Original Maturity of Over Three Months

Our time deposits with original maturity of over three months (including current and non-current portion) increased by 20.2% from RMB116.5 million as of December 31, 2024 to RMB140.0 million as of December 31, 2025, primarily because we purchased more time deposit products which allow for stable gains with lower level of risks.

Trade Payables

Our trade payables remained relatively stable at RMB70.8 million as of December 31, 2024 and RMB72.0 million as of December 31, 2025.

The table below sets forth a summary of average turnover days of trade payables as at the dates indicated:

	For the Year Ended December 31,	
	2025	2024
Trade payables turnover day[(1)]	108.0	107.1

Note:

(1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a period divided by revenue for the relevant period and multiplied by 365 days.

Our average trade payables turnover days remained relatively stable at 107.1 days for 2024 and 108.0 days for 2025.

Other Payables and Accruals

Our other payables and accruals increased by 34.7% from RMB36.6 million as of December 31, 2024 to RMB49.3 million as of December 31, 2025, primarily due to an increase in payroll payable, mainly in line with our revenue increase.

SHARE CAPITAL AND TOTAL EQUITY

Our share capital amounted to nil and RMB90.1 million as of December 31, 2024 and 2025, respectively. Our total equity remained relatively stable at RMB496.3 million and RMB524.1 million as of December 31, 2024 and 2025, respectively.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as at the dates indicated:

	As of December 31,	
	2025	2024
	(RMB in thousands)	
	(unaudited)	
CURRENT		
Lease liabilities	4,202	2,121
NON-CURRENT		
Lease liabilities	12,162	2,325
Total	**16,364**	**4,446**

CAPITAL EXPENDITURES

In 2024 and 2025, our capital expenditures primarily consisted of (i) purchase of items of property, plant and equipment; and (ii) purchase of intangible assets. The following table sets forth the breakdown of our capital expenditures for the years indicated:

	Year ended December 31,	
	2025	2024
	(RMB in thousands)	
	(unaudited)	
Purchase of items of property, plant and equipment	7,104	9,960
Purchase of intangible assets	3,910	325
Total	**11,014**	**10,285**

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as at each of the dates indicated or for each of the years ended:

	Year ended December 31,	
	2025	2024
	(RMB in thousands)	
	(unaudited)	
Revenue growth (%)[(1)]	24.6	77.0
Gross profit margin (%)[(2)]	37.6	34.3
Net (loss)/profit margin (%)[(3)]	(7.7)	5.8
Current ratio[(4)]	3.6	4.1
Quick ratio[(5)]	2.8	3.0

Notes:

(1) Revenue growth is calculated by subtracting the previous year's revenue from the current period's revenue, dividing the result by the previous period's revenue, multiplied by 100%.

(2) Gross profit margin equals gross profit for the period divided by revenue for the respective period and multiplied by 100.0%.

(3) Net (loss)/profit margin equals the net (loss)/profit for the period divided by revenue for the respective period and multiplied by 100.0%.

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

(5) Quick ratio equals total current assets less inventories as of the end of the period divided by total current liabilities as of the same date.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISKS

See ”Financial Information — Financial Risk Disclosure.”

CODE ON CORPORATE GOVERNANCE PRACTICES

As we were not yet listed on the Hong Kong Stock Exchange for the year ended 31 December 2024, the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (“**Corporate Governance Code**”) was not applicable to us during such period under review. After the Listing, we will comply with the code provisions set forth in the Corporate Governance Code.

REVIEW OF OUR PRELIMINARY FINANCIAL INFORMATION

The unaudited financial information in respect of our consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the 2025 Preliminary Financial Information above have been agreed by the Reporting Accountants to the amounts set out in our draft consolidated financial statements for the year ended 31 December 2025 following their work under Practice Note 730 (Revised) “Guidance for Auditors Regarding Preliminary Announcements of Annual Results” issued by the Hong Kong Institute of Certified Public Accountants. The work performed by the Reporting Accountants in this respect did not constitute an assurance engagement and consequently no opinion and assurance conclusion has been expressed by the Reporting Accountants on the 2025 Preliminary Financial Information.

PURCHASE, SALES OR REDEMPTION OF OUR SHARES

As we were not yet listed on the Hong Kong Stock Exchange for the year ended December 31, 2025, this disclosure requirement is not applicable to us.

This appendix contains a summary of the main provision of the Articles of Association of the Company adopted on May 2025, which will take effect from the date of the Listing of H Shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association of the Company, so it may not contain all the information that is important to potential investors.

SHARES AND REGISTERED CAPITAL

The Company's shares are in the form of stock.

The issuance of the Company's shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights.

Shares of the same category issued at the same time have the same issuance conditions and price; subscribers subscribing to the shares pay the same amount per share.

INCREASE, DECREASE, REPURCHASE, AND TRANSFER OF SHARES

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws and regulations, and upon resolutions passed by the Shareholders' meeting:

(i) Issuing shares to non-specific objects;

(ii) Issuing shares to specific objects;

(iii) Distributing bonus shares to existing shareholders;

(iv) Converting capital reserve into share capital;

(v) Other methods approved by laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and other relevant regulatory authorities.

The Company may reduce its registered capital. The reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated by the PRC Company Law, and other relevant regulations and the Articles of Association.

Repurchase of Shares

The company shall not repurchase its own shares, except under any of the following circumstances in accordance with laws, administrative regulations, the Articles of Association, and the regulations of the securities regulatory authorities and stock exchanges of the Company's stock listing place:

(i) To reduce the Company's registered capital;

(ii) To merge with another company holding the Company's shares;

(iii) To use the shares for employee stock ownership plans or equity incentives;

(iv) To repurchase shares from shareholders who object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(v) To use the shares for converting corporate bonds issued by the Company into shares;

(vi) As necessary to safeguard the Company's value and the rights and interests of shareholders.

The Company may repurchase its own shares through public centralized trading or other methods recognized by laws, administrative regulations, the CSRC and the stock exchange and the securities regulatory authorities of the Company's stock listing place.

The Company shall repurchase its own shares through public centralized trading under the circumstances specified in items (iii), (v), and (vi) above.

The Company shall repurchase its own shares upon a resolution of the Shareholders' meeting under the circumstances specified in items (i) and (ii) above. The Company shall repurchase its own shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (iii), (v), and (vi) above, pursuant to the provisions of the Articles of Association or the authorization of the Shareholders' meeting.

After the Company repurchases its own shares in accordance with the above provisions, it shall cancel the repurchased shares within 10 days from the date of repurchase under the circumstances specified in item (i) above; it shall transfer or cancel the repurchased shares within 6 months under the circumstances specified in items (ii) and (iv) above; and it shall transfer or cancel the repurchased shares within 3 years under the circumstances specified in items (iii), (v), and (vi) above, provided that the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company.

After the Company repurchases its own shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law, and other applicable laws, regulations, and regulatory provisions of the place where the Company's shares are listed.

Transfer of Shares

The Company's shares shall be transferred in accordance with the law. Shares issued before the Company's public offering shall not be transferred within one year from the date the Company's shares are listed and traded on the stock exchange.

Directors and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During their term of office, they shall not transfer more than 25% of the total number of shares of the same category they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company's shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

If the stock exchange and the securities regulatory authorities of the Company's stock listing place have other provisions on the transfer restrictions of the Company's overseas listed shares, such provisions shall prevail.

Shareholders, Directors, and senior management members who hold more than 5% of the Company's shares shall not sell the Company's shares or other equity securities they hold within six months after purchase, or purchase the Company's shares or other equity securities within six months after sale. Any profits obtained from such transactions shall belong to the Company, and the Company's Board of Directors shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company's shares due to the purchase of remaining shares after underwriting, or other circumstances stipulated by the CSRC and the securities regulatory authorities and stock exchanges of the Company's stock listing place, and other relevant regulatory authorities.

The shares or other equity securities held by Directors, senior management members, and natural person shareholders as mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held in other people's accounts.

If the Company's Board of Directors fails to execute the provisions of the first paragraph of this article, shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with the people's court in the name of the Company for the benefit of the Company. If the Board of Directors fails to execute the provisions of the first paragraph of this article, the responsible Directors shall bear joint and several liability according to law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

General Provisions on Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration institution. The register of shareholders is conclusive evidence of shareholders' ownership of the Company's shares. The original copy of the H share register of shareholders listed in Hong Kong shall be kept in Hong Kong; the entrusted overseas agency shall ensure the consistency of the original and duplicate copies of the H share register of shareholders at all times. The Hong Kong branch of the register of shareholders shall be available for shareholders to inspect, but the Company may suspend the registration of shareholders on terms equivalent to those under Hong Kong law.

Shareholders shall enjoy rights and bear obligations according to the types of shares they hold; shareholders holding the same type of shares shall enjoy equal rights and bear the same obligations.

Shareholders of the Company shall enjoy the following rights:

(i) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;

(ii) To request, convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders' meeting, speak and exercise corresponding voting rights in accordance with the PRC Company Law, and the Articles of Association, except for the waiver of voting rights in respect of individual matters as required by the Hong Kong listing rules;

(iii) To supervise the Company's operations and make suggestions or inquiries;

(iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, and the Articles of Association;

(v) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' meetings, resolutions of the Board of Directors, financial reports, and accounting books and vouchers of the Company if they meet the requirements;

(vi) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;

(vii) To request the Company to repurchase their shares if they object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(viii) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Shareholders requesting to inspect and copy the Company's relevant materials shall comply with the provisions of the PRC Company Law, the Securities Law, and other laws and administrative regulations.

If the content of the resolutions of the Shareholders' meeting or the Board of Directors violates laws or administrative regulations, shareholders have the right to request the people's court to determine the invalidity of the resolutions. If the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

Shareholders of the Company shall bear the following obligations:

(i) To comply with laws, administrative regulations, and the Articles of Association;

(ii) To pay the share price according to the shares they subscribe for and the method of subscription;

(iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;

(iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;

(v) Other obligations stipulated by laws, administrative regulations, and the Articles of Association.

Shareholders who abuse their rights and cause losses to the Company or other shareholders shall bear compensation liability according to law. Shareholders who abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously damage the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

Controlling Shareholders and Actual Controllers

The Company's Controlling Shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the CSRC, the stock exchange and the securities regulatory authorities where the Company's shares are listed, and shall safeguard the interests of the listed company.

The Company's Controlling Shareholders and actual controllers shall comply with the following provisions:

(i) To exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;

(ii) To strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;

(iii) To strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;

(iv) Not to occupy the Company's funds in any way;

(v) Not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

(vi) Not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;

(vii) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;

(viii) To ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way;

(ix) Other provisions stipulated by laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and the Articles of Association.

If the Company's Controlling Shareholders or actual controllers do not serve as Directors of the Company but actually execute the Company's affairs, the provisions of the Articles of Association on Directors' duties of loyalty and diligence shall apply.

If the Company's Controlling Shareholders or actual controllers instruct Directors or senior management members to engage in activities that damage the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior management members.

General Provisions on Shareholders' Meeting

The Shareholders' meeting is the Company's authority and shall exercise the following powers according to law:

(i) To elect and replace Directors and decide on matters related to Directors' remuneration;

(ii) To examine and approve the Board of Directors' report;

(iii) To examine and approve the Company's profit distribution plan and loss recovery plan;

(iv) To make resolutions on the Company's increase or decrease of registered capital;

(v) To make resolutions on the issuance of corporate bonds;

(vi) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;

(vii) To amend the Articles of Association;

(viii) To make resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit business and its remuneration;

(ix) To examine and approve the external guarantee matters stipulated in Article 49 of the Articles of Association;

(x) To examine and approve matters related to the Company's purchase or sale of major assets exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;

(xi) To examine and approve changes in the use of raised funds;

(xii) To examine and approve equity incentive plans and employee stock ownership plans;

(xiii) To examine and approve other matters that should be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory authorities and stock exchanges of the Company's stock listing place, or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds or other securities and listing proposals.

The external guarantee behaviors of the Company must be reviewed and approved by the Board of Directors. The following external guarantee behaviors of the Company must be reviewed and approved by the Shareholders' meeting after being reviewed and approved by the Board of Directors:

(i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's net assets as of the latest audited financial statements;

(ii) Any guarantee provided after the total external guarantees of the Company exceed 30% of the Company's total assets as of the latest audited financial statements;

(iii) Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;

(iv) Any guarantee provided within one year with a guarantee amount exceeding 30% of the Company's total assets as of the latest audited financial statements;

(v) Any single guarantee with an amount exceeding 10% of the Company's net assets as of the latest audited financial statements;

(vi) Any guarantee provided to shareholders, actual controllers, and their related parties;

(vii) Other guarantee circumstances stipulated by the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, or the Articles of Association.

When the Shareholders' meeting reviews the guarantee matters stipulated in item (iv) of this article, it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting. When the Shareholders' meeting reviews any guarantee provided to shareholders, actual controllers, and their related parties, the shareholders or the shareholders controlled by the actual controller shall not participate in the voting, and the voting must be approved by more than half of the voting rights held by other shareholders present at the meeting.

The Shareholders' meeting is divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall hold an extraordinary Shareholders' meeting within two months from the date of occurrence:

(i) When the number of Directors is less than the number stipulated by the PRC Company Law or two-thirds of the number stipulated by the Articles of Association (i.e., 5);

(ii) When the Company's unrecovered losses reach one-third of the total share capital;

(iii) When shareholders who individually or jointly hold more than 10% of the Company's shares (the number of shares held is calculated as of the date of the shareholder's written request) request it;

(iv) When the Board of Directors deems it necessary;

(v) When the Audit Committee proposes to convene;

(vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory authorities and stock exchanges of the Company's stock listing place, or the Articles of Association.

Convening of Shareholders' Meeting

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of more than half of all independent non-executive Directors, independent non-executive Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution; if the Board of Directors does not agree to convene an extraordinary Shareholders' meeting, it shall explain the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company's total share capital have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and add a proposal to the agenda of the Shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company's total share capital have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the Shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the Shareholders' meeting, and shareholders holding more than 10% of the Company's total share capital separately or jointly for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or shareholders who individually or jointly hold more than 10% of the Company's total share capital decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing and file with the relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required). Before the announcement of the Shareholders' meeting resolution, the total shareholding ratio of the convening shareholders shall not be less than 10% of the total share capital. The Audit Committee or convening shareholders shall submit relevant proof materials to relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required) when issuing the notice of the Shareholders' meeting and the announcement of the Shareholders' meeting resolution.

For Shareholders' meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Proposals and Notices of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding more than 1% of the Company's total share capital separately or jointly have the right to submit proposals to the Company.

Shareholders holding more than 1% of the Company's total share capital separately or jointly may submit temporary proposals in writing to the convener 10 days before the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the Shareholders' meeting's authority, shall be excluded.

Except for the circumstances stipulated in the preceding paragraph or other circumstances permitted by laws, regulations and other rules, the convener shall not modify the proposals already listed in the notice of the Shareholders' meeting or add new proposals after issuing the notice of the Shareholders' meeting.

Proposals not listed in the notice of the Shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders' meeting.

The convener shall notify all shareholders 21 days before the annual Shareholders' meeting and 15 days before the extraordinary Shareholders' meeting.

The notice of the Shareholders' meeting shall include the following content:

(i) The time, place, and duration of the meeting;

(ii) The matters and proposals to be reviewed at the meeting;

(iii) A clear statement that all shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;

(iv) The record date for shareholders entitled to attend the Shareholders' meeting (the interval between the record date for shareholders and the date of the Shareholders' meeting shall be no more than seven working days. Once the record date for shareholders is confirmed, it cannot be changed);

(v) The name and telephone number of the standing contact person for the meeting;

(vi) The time and procedure for voting by network or other means (including, but not limited to, telephone, and so forth);

(vii) Other requirements stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Holding of the Shareholders' Meeting

All shareholders registered on the record date or their proxies are entitled to attend the Shareholders' meeting, speak and vote in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association (unless individual shareholders are required to waive their voting rights on specific matters in accordance with the aforementioned rules).

Shareholders may attend Shareholders' Meetings in person or appoint a proxy to attend and vote on their behalf. Individual shareholders attending the meeting in person shall present their ID cards or other valid identification documents; if appointing a proxy to attend the meeting, they shall present their valid ID cards and a power of attorney for the shareholder.

Corporate shareholders shall be represented by the legal representative or a proxy authorized by the legal representative. The legal representative attending the meeting shall present their ID card and valid proof of their legal representative status; the proxy attending the meeting shall present their ID card and a written power of attorney issued by the legal representative of the corporate shareholder, except for shareholders who are a recognized clearing house as defined under the laws of Hong Kong or its proxy.

The power of attorney for appointing a proxy to attend the Shareholders' meeting shall specify the following content:

(i) The name or title of the principal and the category and quantity of shares held;

(ii) The name or title of the proxy;

(iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' meeting;

(iv) The date of issuance and validity period of the power of attorney;

(v) The signature (or seal) of the principal. If the principal is a corporate shareholder or a partnership shareholder, the corporate seal or the partnership seal shall be affixed.

If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting.

If the principal is a legal person, it shall be represented by its legal representative or a person authorized by the Board of Directors or other decision-making body to attend the Company's Shareholders' meeting.

If the Shareholders' meeting requires Directors and senior management members to attend the meeting, the Directors and senior management members shall attend and accept shareholders' inquiries.

The Shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his duties, a Director elected by more than half of the Directors shall preside. The Shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or unwilling to perform his duties, an Audit Committee member elected by more than half of the Audit Committee members shall preside. The Shareholders' meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener. If the meeting chairperson violates the rules of procedure during the Shareholders' meeting, making it impossible to continue the meeting, the Shareholders' meeting may elect a person to act as the meeting chairperson with the consent of more than half of the voting rights held by the shareholders present at the meeting, and continue the meeting.

Voting and Resolutions at the Shareholders' Meeting

Resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including shareholder proxies) present at the meeting. A special resolution of the Shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including shareholder proxies) present at the meeting.

The following matters shall be passed by the Shareholders' meeting as ordinary resolutions:

(i) The work report of the Board of Directors;

(ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;

(iii) The appointment and dismissal of board members and their remuneration and payment methods;

(iv) Other matters except those that, as stipulated by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by the Shareholders' meeting as special resolutions:

(i) The increase or decrease of the Company's registered capital;

(ii) The division, split, merger, dissolution, and liquidation of the Company;

(iii) Amendments to the Articles of Association;

(iv) The Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;

(v) Equity incentive plans;

(vi) Variation or abrogation of the rights of class shareholders;

(vii) Other matters stipulated by laws, administrative regulations, or the Articles of Association, as well as matters that the Shareholders' meeting deems to have a significant impact on the Company and require a special resolution.

Shareholders shall exercise their voting rights based on the number of voting shares they represent, with each share having one vote.

When the Shareholders' meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

The Company's own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders' meeting.

If a shareholder purchases the Company's voting shares in violation of the provisions of Article 63, Paragraphs 1 and 2 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and shall not be counted in the total number of voting shares present at the Shareholders' meeting.

The Company's Board of Directors, independent non-executive Directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

When the Shareholders' meeting reviews related party transactions, related shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes; the announcement of the Shareholders' meeting resolution shall fully disclose the voting situation of non-related shareholders.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

The Directors of the Company may include executive Directors, non-executive Directors and independent non-executive Directors.

Directors of the Company shall be individuals. A person with any of the following circumstances shall not serve as a Director of the Company:

(i) Having no capacity for civil conduct or limited capacity for civil conduct;

(ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;

(iii) Having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

(iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of such company or enterprise;

(v) Having a large-amount debt due but unpaid and being listed as a person subject to enforcement for bad credit by the people's court;

(vi) Having been subject to measures restricting access to the securities market by the CSRC and the time limit has not expired;

(vii) Other circumstances stipulated by laws, administrative regulations, and departmental rules.

Elections or appointments of Directors that violate the provisions of this section shall be invalid. If a Director becomes subject to any of the circumstances listed in this section during their tenure, the Company shall terminate their position.

Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by an ordinary resolution of the Shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office. Subject to compliance with applicable laws, regulations, and regulatory rules in PRC and Hong Kong, any person appointed by the Board of Directors to fill a temporary vacancy or increase the number of Directors on the Board shall serve only until the first annual Shareholders' meeting after their appointment and shall be eligible for re-election at that time.

A Director may also hold the position of senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representatives, shall not exceed half of the total number of Directors of the Company.

A Director may resign before the expiration of their term. A Director's resignation shall take effect on the date the Company receives the written resignation report, and the Company shall disclose the relevant information as soon as practicable (no later than 2 trading days). If the resignation of a Director results in the number of board members falling below the statutory minimum, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office.

Board of Directors

The Board of Directors shall exercise the following powers and duties:

(i) Convening the Shareholders' meeting and reporting to the Shareholders' meeting;

(ii) Implementing the resolutions of the Shareholders' meeting;

(iii) Deciding on the Company's business plans and investment proposals;

(iv) Formulating the Company's profit distribution plans and loss recovery plans;

(v) Formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities, and listing;

(vi) Drafting plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;

(vii) Deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions, and external donations, within the scope authorized by the Shareholders' meeting;

(viii) Deciding on the establishment of the Company's internal management structure;

(ix) Deciding on the appointment or dismissal of the chief executive officer, secretary of the Board, and other senior management members, and determining their remuneration and reward (or punishment); based on the chief executive officer's nomination, deciding on the appointment or dismissal of the chief financial officer, and other senior management members, and determining their remuneration and reward (or punishment);

(x) Formulating the Company's basic management systems;

(xi) Drafting amendments to the Articles of Association;

(xii) Managing the Company's information disclosure matters;

(xiii) Proposing to the Shareholders' meeting the appointment or replacement of the accounting firm auditing the Company;

(xiv) Listening to the work reports of the chief executive officer and reviewing the chief executive officer's work;

(xv) Examining and approving the external guarantee matters other than those stipulated in Article 49 of the Articles of Association;

(xvi) Other powers and duties granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the Shareholders' meeting.

The Board of Directors shall determine the authority for the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related party transactions, and external donations, and establish strict review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the Shareholders' meeting for approval.

The Board of Directors shall have one chairman. The chairman shall be elected by a majority vote of all Directors and shall serve a term of three years, with eligibility for reelection.

The chairman shall exercise the following powers and duties:

(i) Presiding over the Shareholders' meeting and convening and presiding over board meetings;

(ii) Supervising and inspecting the implementation of board resolutions;

(iii) Other powers and duties granted by the Board of Directors.

The Board of Directors shall hold at least four meetings each year, convened by the chairman, with written notice provided to all Directors at least 14 days before the meeting. Shareholders representing more than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 10 days of receiving such a proposal.

Extraordinary board meetings shall be convened in writing or by email, with notice provided to all Directors at least three days before the meeting.

A board meeting shall require the attendance of more than half of the Directors to be valid. Resolutions of the Board of Directors shall require the approval of more than half of all Directors. Each Director shall have one vote in board resolutions.

If a Director has a relationship with the enterprise or individual involved in a board resolution, the Director shall promptly report in writing to the Board of Directors. The Director with such a relationship shall not vote on the resolution or act as a proxy for another Director to vote. The board meeting may proceed with the attendance of more than half of the non-related Directors, and resolutions shall require the approval of more than half of the non-related Directors. If the number of non-related Directors attending the board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for review.

Board meetings shall be attended by Directors in person. If a Director is unable to attend, they may appoint another Director in writing to attend on their behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing Director. The proxy shall exercise the Director's rights within the scope of authority. If a Director does not attend the board meeting and does not appoint a proxy to attend, they shall be deemed to have waived their voting rights at that meeting.

Independent non-executive Directors

Independent non-executive Directors shall diligently perform their duties in accordance with laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and the Articles of Association. They shall play a role in decision-making, supervision, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

Independent non-executive Directors must maintain independence. The following persons shall not serve as independent non-executive Directors:

(i) Persons employed by the Company or its affiliated enterprises, as well as their spouses, parents, children, and close relatives;

(ii) Natural persons who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;

(iii) Persons employed by shareholders who directly or indirectly hold more than 5% of the Company's issued shares or are among the top five shareholders of the Company, as well as their spouses, parents, and children;

(iv) Persons employed by affiliated enterprises of the Company's Controlling Shareholders or actual controllers, as well as their spouses, parents, and children;

(v) Persons who have significant business dealings with the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, or who are employed by entities that have significant business dealings with the Company, and their controlling shareholders or actual controllers;

(vi) Persons who provide financial, legal, consulting, or underwriting services to the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, including but not limited to project team members, reviewers, signatories, partners, Directors, senior management members, and principal responsible persons of intermediary institutions providing such services;

(vii) Persons who have had any of the above-mentioned circumstances within the past 12 months;

(viii) Other persons deemed not independent under laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, or the Articles of Association.

Independent non-executive Directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent non-executive Directors and issue a special opinion, which shall be disclosed together with the annual report.

The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all independent non-executive Directors:

(i) Related party transactions that require disclosure;

(ii) Proposals for the Company and related parties to change or waive commitments;

(iii) Decisions and measures taken by the Board of Directors of an acquired listed company in response to the acquisition;

(iv) Other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Company shall establish a special meeting mechanism composed entirely of independent non-executive Directors. Matters such as related party transactions to be reviewed by the Board of Directors shall first be approved by the special meeting of independent non-executive Directors. The Company holds special meetings of independent non-executive Directors regularly or irregularly. Matters listed in items (i) to (iii) of paragraph 1 of Article 132 and Article 133 of the Articles of Association shall be reviewed by the special meeting of independent non-executive Directors. The special meeting of independent non-executive Directors may discuss other matters of the Company as needed.

The special meeting of independent non-executive Directors shall be convened and presided over by one independent Director jointly recommended by more than half of the independent non-executive Directors. If the convener fails to perform their duties or is unable to do so, two or more independent non-executive Directors may convene the meeting and recommend one representative to preside.

Special Committees under the Board

The Company's Board of Directors shall establish an Audit Committee, which shall exercise the powers and duties of the Board of Supervisors as stipulated in the PRC Company Law.

The Audit Committee shall comprise more than three members, all of whom must be non-executive directors, of whom the majority must be independent non-executive Directors, at least one of whom must be an independent director with appropriate professional qualifications or appropriate accounting or related financial management expertise as required by the Hong Kong Listing Rules, with the chairperson (convener) being an independent Director with accounting expertise.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

(i) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;

(ii) Appointment or dismissal of the accounting firm auditing the listed company;

(iii) Appointment or dismissal of the Company's chief financial officer;

(iv) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;

(v) Other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Audit Committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the chairperson deems it necessary. A meeting of the Audit Committee shall require the attendance of at least two-thirds of its members to be valid. Resolutions of the Audit Committee shall require the approval of more than half of its members. Each member shall have one vote in Audit Committee resolutions. Minutes of Audit Committee meetings shall be prepared, and attending members shall sign the minutes.

The working procedures of the Audit Committee shall be formulated by the Board of Directors.

The Board of Directors shall establish other special committees, such as the Nomination Committee, and the Remuneration and Appraisal Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals of these committees shall be submitted to the Board of Directors for review and decision. The working procedures of these special committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT MEMBERS

The Company shall have a general manager, also known as the chief executive officer, who shall be appointed or dismissed by the Board of Directors.

The Chief Technology Officer, chief executive officer, chief financial officer, and secretary of the Board shall constitute the senior management of the Company.

The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a Director and the regulations on departure management shall also apply to senior management. The provisions of the Articles of Association regarding the fiduciary duties and diligence obligations of Directors shall also apply to senior management.

The chief executive officer shall be accountable to the Board of Directors and shall exercise the following powers and duties:

(i) Presiding over the Company's production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;

(ii) Implementing the Company's annual business plans and investment proposals;

(iii) Drafting proposals for the establishment of the Company's internal management structure;

(iv) Drafting the Company's basic management systems;

(v) Formulating the Company's specific regulations;

(vi) Proposing to the Board of Directors the appointment or dismissal of the chief financial officer and other senior management;

(vii) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors;

(viii) The chairman of the Board of Directors or the chief executive officer examining and approving the transaction matters outside the scope of authority of the Board of Directors as stipulated in the Articles of Association in accordance with the authorization of the Board of Directors;

(ix) Other powers and duties granted by the Articles of Association or the Board of Directors.

The chief executive officer shall attend meetings of the Board of Directors.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall establish its financial accounting system in accordance with laws, administrative regulations, and the provisions of relevant national authorities.

Within four months after the end of each fiscal year, the Company shall submit and disclose its annual report to the local office of the CSRC (if necessary) and the stock exchange where the Company's shares are listed (if necessary). Within two months after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local office of the CSRC (if necessary) and the stock exchange where the Company's shares are listed (if necessary). The Company shall submit and disclose its quarterly report in accordance with the regulations of the stock exchange where the Company's shares are listed.

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's assets shall not be stored in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations. If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year's profits to cover the losses before allocating the statutory reserve fund as stipulated above. After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the Shareholders' meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the Articles of Association. If the Shareholders' meeting violates the PRC Company Law by distributing profits to shareholders, the shareholders must return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders and the responsible Directors and senior management shall bear the liability for compensation. The Company's own shares held by the Company shall not participate in the distribution of profits.

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operation, or convert into additional capital. When using reserve funds to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented after approval by the Board of Directors and shall be disclosed to the public.

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the Securities Law to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

The appointment or dismissal of an accounting firm shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all members of the Audit Committee and shall be decided by the Shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

The audit fees of the accounting firm shall be decided by the Shareholders' meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

If the accounting firm resigns, it shall explain to the Shareholders' meeting whether there are any improper circumstances in the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

The Company's merger can be in the form of an absorption merger or a consolidation merger. When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees.

When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly. When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days. The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the Shareholders' meeting resolution on the capital reduction and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the Company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law. When the Company increases or reduces its registered capital, it shall apply for a change of registration with the Company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) The business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;

(ii) The Shareholders' meeting resolves to dissolve the Company;

(iii) The Company needs to be dissolved due to a merger or division;

(iv) The Company is legally revoked its business license, ordered to close, or revoked;

(v) The Company's operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found. Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within ten days.

If the Company has the circumstances mentioned in items (i) and (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution of the Shareholders' meeting. To amend the Articles of Association or pass a resolution of the Shareholders' meeting in accordance with the preceding paragraph, it must be approved by more than two-thirds of the voting rights held by shareholders present at the Shareholders' meeting.

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors, unless otherwise stipulated in the Articles of Association or the Shareholders' meeting resolves to appoint others. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

During the liquidation period, the liquidation group shall exercise the following powers and duties:

(i) Cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets;

(ii) Notifying and announcing to creditors;

(iii) Handling the Company's unfinished business related to the liquidation;

(iv) Paying off the taxes owed and the taxes incurred during the liquidation process;

(v) Cleaning up claims and debts;

(vi) Distributing the remaining assets after the Company's debts are settled;

(vii) Representing the Company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims.

During the claim declaration period, the liquidation group shall not settle claims with creditors.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. After paying off the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company's debts, the remaining assets shall be distributed to shareholders according to the proportion of shares held. During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company's assets are insufficient to settle its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After the Company's liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and submit it to the Company registration authority to apply for cancellation of the Company's registration.

If the Company is legally declared bankrupt, it shall implement bankruptcy liquidation in accordance with the relevant enterprise bankruptcy laws.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under the following circumstances:

(i) After the PRC Company Law or relevant laws, administrative regulations, the provisions of the Articles of Association conflict with the amended laws, administrative regulations;

(ii) The Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;

(iii) The Shareholders' meeting resolves to amend the Articles of Association.

If the amendment of the Articles of Association passed by a resolution of the Shareholders' meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting on the amendment of the Articles of Association and the approval opinions of the competent authority.

If the amendment of the Articles of Association involves information required to be disclosed by laws and regulations, it shall be announced in accordance with regulations.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

On September 7, 2017, our Company was established under the name of Shenzhen Dazu Robot Co., Ltd. (深圳市大族機器人有限公司), as a limited liability company in Shenzhen, the PRC, with a registered capital of RMB50,000,000. On May 22, 2025, our Company was converted into a joint stock company with limited liability and renamed as Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人股份有限公司).

Our registered office is at Room 1101, Building 9, Haichuang Dazu Robot Intelligent Manufacturing Center, No. 3, Erzhi Industrial Avenue, Xihai Village, Beijiao Town, Shunde District, Foshan City, Guangdong, PRC. We have established a place of business in Hong Kong at Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and have been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on April 14, 2025. Ms. Chan Pui Ching (陳佩貞) has been appointed as our authorized representatives for the acceptance of services of process and notices on behalf of our Company in Hong Kong. Our address for acceptance of service of process in Hong Kong is the same as the address of our principal place of business in Hong Kong.

As we are incorporated in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in "Regulatory Overview" of this Prospectus and Appendix III to this Prospectus.

B. Changes in the Share Capital of our Company

Upon completion of the Global Offering, without taking into account any H Shares which may be issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option, our registered share capital will be increased to RMB106,295,996, comprising 80,785,000 H Shares to be issued and sold under the Global Offering, 18,027,800 Unlisted Shares and 432,667,180 H Shares converted from the Unlisted Shares.

Save as disclosed above, there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this Prospectus.

C. Resolutions of the Shareholders of our Company dated 29 May 2025

On 29 May 2025, the shareholders of our Company passed, among other things, the following resolutions (as supplemented and detailed by Board/persons authorized by the Shareholders):

(a) the issue by our Company of H Shares with a nominal value of RMB0.2 each and such H Shares be listed on the Hong Kong Stock Exchange;

(b) the number of H shares to be issued shall be no more than 20% of the total issued share capital of our Company as enlarged by the Global Offering (without taking into consideration the exercise of the Over-allotment Option), and the grant of the Over-allotment Option in respect of no more than 15% of the number of H Shares issued pursuant to the Global Offering;

(c) subject to the CSRC's approval, upon completion of the Global Offering, 432,667,180 Unlisted Shares will be converted into H Shares on a one-for-one basis;

(d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the Global Offering, the issue and the listing of H Shares on the Hong Kong Stock Exchange; and

(e) subject to the completion of the Global Offering, the conditional adoption of the revised Articles of Association, which shall become effective on the Listing Date.

D. Conversion

In preparation of the Global Offering, we underwent the Conversion, details of which are set out in "History, Development and Corporate Structure — Corporate Development — Joint Stock Conversion" in this Prospectus. Our PRC Legal Advisor has confirmed that we have obtained all necessary approvals from relevant PRC regulatory authorities required for the Conversion.

E. Subsidiaries of Our Company

(a) Subsidiaries

Certain details of our subsidiaries are set forth in the Accountant's Report in Appendix I to this Prospectus.

(b) Changes in the share capital of our subsidiary

The following changes in the share capital of our subsidiary took place within the two years immediately preceding the date of this Prospectus:

- On 16 April, 2024, Huayan Robot America Inc. (華沿機器人美洲股份有限公司), a wholly-owned subsidiary of our Company, was established in Texas, the United States with the registered capital of USD300,000; and

- On 6 June, 2025, Huayan (Guangzhou) Robotics Co., Ltd. (華沿(廣州)機器人有限公司), a wholly-owned subsidiary of our Company, was established in the PRC with the registered capital of RMB2 million.

Save as disclosed in this Prospectus, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this Prospectus.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this Prospectus which are or may be material, and a copy of each has been published on the Stock Exchange's website and our Company's own website:

(a) a share transfer agreement entered into among Shenzhen Zhirentuan Enterprise Management Partnership (Limited Partnership) (深圳市智人團企業管理合夥企業(有限合夥)) ("**Zhirentuan**"), Beijing Guoke Ruihua Phase IV Equity Investment Fund Partnership (Limited Partnership) (北京國科瑞華四期股權投資基金合夥企業(有限合夥)) ("**Beijing Ruihua**"), Shenzhen Baoshi Xinqiao Guoke Ruihua Private Equity Investment Fund Partnership (Limited Partnership) (深圳市寶實新橋國科瑞華私募股權投資基金合夥企業(有限合夥)) ("**Shenzhen Ruihua**"), Beijing CAS Zhengdao Investment Center (Limited Partnership) (北京國科正道投資中心(有限合夥)) ("**CAS Zhengdao**"), our Company, Mr. Wang Guangneng (王光能), Shenzhen Zhirenxing Enterprise Management Partnership (Limited Partnership) (深圳市智人行企業管理合夥企業(有限合夥)) and Shenzhen Xianzhikong Enterprise Management Partnership (Limited Partnership) (深圳市獻智控企業管理合夥企業(有限合夥)) dated December 26, 2024, pursuant to which Zhirentuan transferred RMB1,947,003 of our Company's registered capital to Beijing Ruihua, RMB1,947,003 of our Company's registered capital to Shenzhen Ruihua and RMB39,332 of our Company's registered capital to CAS Zhengdao, for a total consideration of RMB100,000,000.

(b) a termination agreement of the shareholder's special rights entered into among our Company, Mr. Wang Guangneng (王光能), Zhirentuan, Shenzhen Xianzhikong Enterprise Management Partnership (Limited Partnership) (深圳市獻智控企業管理合夥企業(有限合夥)), Shenzhen Zhirenxing Enterprise Management Partnership (Limited Partnership) (深圳市智人行企業管理合夥企業(有限合夥)), Fujian Min'an Tongfu Enterprise Management Partnership (Limited Partnership) (福建民安同富企業管理合夥企業(有限合夥)), Foshan Pengxia Jufu Enterprise Management Partnership (Limited Partnership) (佛山市鵬廈聚富企業管理合夥企業(有限合夥)), Suzhou Tengxin Venture Capital Partnership (Limited Partnership) (蘇州藤信創業投資合夥企業(有限合夥)), Shenzhen Tianle Investment Consulting Partnership (Limited Partnership) (深圳添樂投資顧問合夥企業(有限合夥)), Shenzhen Talent Innovation Entrepreneurship No. 3 Phase II Equity Investment Fund Partnership (Limited Partnership) (深圳市人才創新創業三號二期股權投資基金合夥企業(有限合夥)), Shenzhen Zhongxiaodan Venture Capital Co., Ltd. (深圳市中小擔創業投資有限公司), Shenzhen Zhongshen Xinchuang Equity Investment Partnership (Limited Partnership) (深圳中深新創股權投資合夥企業(有限合夥)), Zhaoying (Zhucheng) Venture Capital Partnership (Limited Partnership) (招盈(諸城)創業投資合夥企業(有限合夥)), Foshan Zhaoke Innovation Intelligent Industry Investment Fund

Partnership (Limited Partnership) (佛山市招科創新智能產業投資基金合夥企業(有限合夥)), Yantai Xinzhen Tianying Equity Investment Center (Limited Partnership) (煙台信貞添盈股權投資中心(有限合夥)), Shenzhen Toposcend Zhongxiaowei Venture Capital Enterprise (Limited Partnership) (深圳市投控東海中小微創業投資企業(有限合夥)), Founder Securities Investment Co., Ltd. (方正證券投資有限公司), Guangdong Yuecai Industrial Investment Fund Partnership (Limited Partnership) (廣東粵財產業投資基金合夥企業(有限合夥)), Guangzhou Chuangying Jianke Investment Partnership (Limited Partnership) (廣州創盈健科投資合夥企業(有限合夥)), Shenzhen Qielou Xingwen Management Partnership (Limited Partnership) (深圳鍥鏤行穩管理合夥企業(有限合夥)), Wuxi High-tech Zone Xindongneng Industry Development Fund (Limited Partnership) (無錫高新區新動能產業發展基金(有限合夥)), Beijing Ruihua, Shenzhen Ruihua, CAS Zhengdao, Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司), Shanghai Huaqi Investment Management Partnership (Limited Partnership) (上海畫琪投資管理合夥企業(有限合夥)) and Mr. Zhang Guoping (張國平) dated April 30, 2025, pursuant to which special rights granted to such Shareholders were terminated.

(c) a cornerstone investment agreement dated March 18, 2026 entered into among our Company, HHLR ADVISORS, LTD., China International Capital Corporation Hong Kong Securities Limited, Deutsche Securities Asia Limited and Deutsche Bank AG, Hong Kong Branch with respect to a subscription of Shares at the Offer Price in the aggregate amount of Hong Kong dollars equivalent of US$30,000,000.

(d) a cornerstone investment agreement dated March 18, 2026 entered into among our Company, GF Management Co., Ltd. (廣發基金管理有限公司), China International Capital Corporation Hong Kong Securities Limited, Deutsche Securities Asia Limited and Deutsche Bank AG, Hong Kong Branch with respect to a subscription of Shares at the Offer Price in the aggregate amount of Hong Kong dollars equivalent of US$23,300,000.

(e) a cornerstone investment agreement dated March 18, 2026 entered into among our Company, GF International Investment Management Limited (廣發國際資產管理有限公司), China International Capital Corporation Hong Kong Securities Limited, Deutsche Securities Asia Limited and Deutsche Bank AG, Hong Kong Branch with respect to a subscription of Shares at the Offer Price in the aggregate amount of Hong Kong dollars equivalent of US$6,700,000.

(f) a cornerstone investment agreement dated March 18, 2026 entered into among our Company, Morgan Stanley & Co. International plc, China International Capital Corporation Hong Kong Securities Limited, Deutsche Securities Asia Limited and Deutsche Bank AG, Hong Kong Branch with respect to a subscription of Shares at the Offer Price in the aggregate amount of Hong Kong dollars equivalent of US$10,000,000.

(g) a cornerstone investment agreement dated March 18, 2026 entered into among our Company, Samson Group Limited (晟信集團有限公司), China International Capital Corporation Hong Kong Securities Limited, Deutsche Securities Asia Limited and Deutsche Bank AG, Hong Kong Branch with respect to a subscription of Shares at the Offer Price in the aggregate amount of HK$50,000,000.

(h) a cornerstone investment agreement dated March 18, 2026 entered into among our Company, HUATAI CAPITAL INVESTMENT LIMITED, China International Capital Corporation Hong Kong Securities Limited, Deutsche Securities Asia Limited and Deutsche Bank AG, Hong Kong Branch with respect to a subscription of Shares at the Offer Price in the aggregate amount of Hong Kong dollars equivalent of RMB40,000,000 and holding such Shares on a non-discretionary basis to hedge a series of cross border over-the-counter swap transactions entered into by Huatai Capital Investment Limited, Huatai Securities Co., Ltd. and Ningbo Meishan Free Trade Port Zone Haojun Investment Management Co., Ltd. (寧波梅山保稅港區灝浚投資管理有限公司).

(i) a cornerstone investment agreement dated March 18, 2026 entered into among our Company, Eternal Summer Consulting Company Ltd., China International Capital Corporation Hong Kong Securities Limited, Deutsche Securities Asia Limited and Deutsche Bank AG, Hong Kong Branch with respect to a subscription of Shares at the Offer Price in the aggregate amount of Hong Kong dollars equivalent of US$5,000,000.

(j) a cornerstone investment agreement dated March 18, 2026 entered into among our Company, SHREWD PIONEER LIMITED, China International Capital Corporation Hong Kong Securities Limited, Deutsche Securities Asia Limited and Deutsche Bank AG, Hong Kong Branch with respect to a subscription of Shares at the Offer Price in the aggregate amount of Hong Kong dollars equivalent of US$5,000,000.

(k) a cornerstone investment agreement dated March 18, 2026 entered into among our Company, Richfirm (Hong Kong) Development Limited (全順(香港)發展有限公司), China International Capital Corporation Hong Kong Securities Limited, Deutsche Securities Asia Limited and Deutsche Bank AG, Hong Kong Branch with respect to a subscription of Shares at the Offer Price in the aggregate amount of HK$25,000,000.

(l) a cornerstone investment agreement dated March 18, 2026 entered into among our Company, VVC Technology Fund Ltd., China International Capital Corporation Hong Kong Securities Limited, Deutsche Securities Asia Limited and Deutsche Bank AG, Hong Kong Branch with respect to a subscription of Shares at the Offer Price in the aggregate amount of Hong Kong dollars equivalent of US$3,000,000.

(m) the Hong Kong Underwriting Agreement.

B. Intellectual Property Rights

(a) Patents

As of the Latest Practicable Date, our Group has the following patents which are considered by us to be or may be material to our business:

No.	Patent Owner	Type	Patent	Patent No.	Application Date	Grant Date	Expiry Date
1. .	Our Company	Invention	Absolute position measurement using dual incremental encoders ("雙增量 式編碼器測量絕對 位置方法和裝置")	201810561211.0	04/06/2018	01/01/2021	03/06/2038
2. .	Our Company	Invention	Encoder group position compensation method for robotic modules ("编碼器 組位置補償方法、 機器人模組位置補 償方法")	201911006991.3	22/10/2019	19/08/2022	21/10/2039
3. .	Our Company	Invention	A cable installation structure ("一種關 節模組線纜安裝結構及關節模組")	202111518267.6	13/12/2021	12/04/2024	12/12/2041
4. .	Our Company	Invention	Safety control circuit, control method and servo driver ("安全控制電路、控制方法及伺服驅動器")	202210025909.7	11/01/2022	08/12/2023	10/01/2042
5. .	Our Company	Invention	Singularity avoidance method for robotic wrist joints ("一種機器人腕關節奇異規避方法及系統")	202210153487.1	18/02/2022	20/02/2024	17/02/2042
6. .	Our Company	Invention	Motor control method and system for serve driver ("電機控制方法、裝置、計算機設備和儲存介質")	202210342575.6	02/04/2022	27/06/2023	01/04/2042
7. .	Our Company	Invention	Positioning platform and system ("定位 平台和定位系統")	202210444972.4	26/04/2022	20/02/2024	25/04/2042
8. .	Our Company	Invention	Servo driver, servo system and robot ("伺服驅動器、伺服系統及機器人")	202210502576.2	10/05/2022	27/06/2023	09/05/2042

No.	Patent Owner	Type	Patent	Patent No.	Application Date	Grant Date	Expiry Date
9. .	Our Company	Invention	Automated welding method and system based on collaborative robots (“一種基於協作機器人的自動化焊接方法及系統”)	202210652748.4	08/06/2022	23/05/2023	07/06/2042
10. .	Our Company	Invention	Joint module and collaborative robot (“關節模組及協作 機器人”)	202210986793.3	17/08/2022	12/07/2024	16/08/2042
11. .	Our Company	Invention	Collision detection method for robotic arms (“機械臂的碰 撞檢測方法、裝置 和計算機設備”)	202211127334.6	16/09/2022	31/10/2023	15/09/2042
12. .	Our Company	Invention	Auto-tuning method and system for servo driver parameters (“伺服 驅動器參數自整定 方法、裝置和計算機設備”)	202211245209.5	12/10/2022	20/02/2024	11/10/2042
13. .	Our Company	Invention	PID parameter determination for robot motors (“機器 人電機PID參數確定 方法、裝置和計算 機設備”)	202310722875.1	19/06/2023	31/10/2023	18/06/2043
14. .	Our Company	Invention	Robot joint angle inspection method, device, equipment and medium (“機器人關節角度檢驗方法、裝置、設備及介質”)	201911032010.2	28/10/2019	19/07/2022	27/10/2039
15. .	Our Company	Invention	Servo drives, drive methods and equipment (“伺服驅動器，驅動方法及設備”)	202210018402.9	07/01/2022	29/08/2023	06/01/2042
16. .	Our Company	Invention	Cobot control methods, devices, cobots and storage media (“協作機器人的控制方法、裝置、協作機器人和存儲介質”)	202210208702.3	03/03/2022	31/05/2024	02/03/2042
17. .	Our Company	Invention	Cobot control methods, devices, computer equipment, and storage media (“協作機器人控制方法、裝置、計算機設備和存儲介質”)	202210408266.4	19/04/2022	14/06/2024	18/04/2042

No.	Patent Owner	Type	Patent	Patent No.	Application Date	Grant Date	Expiry Date
18. .	Our Company	Invention	Electromagnetic brake control device and electromagnetic brake equipment ("電磁抱閘控制裝置及電磁抱閘設備")	202210465206.6	29/04/2022	08/12/2023	28/04/2042
19. .	Our Company	Invention	Robot control methods, devices, computer equipment, and storage media ("機器人控制方法、裝置、計算機設備和存儲介質")	202210527441.1	16/05/2022	23/05/2023	15/05/2042
20. .	Our Company	Invention	Robot controls and robots ("機器人控制裝置和機器人")	202210533020.X	16/05/2022	12/07/2024	15/05/2042
21. .	Our Company	Invention	A six-axis assistance robot based on a double-joint module ("一種基於雙關節模組的六軸協助機器人")	202210554823.3	19/05/2022	10/01/2023	18/05/2042
22. .	Our Company	Invention	A modular multi-robot collaborative control method ("一種模塊化多機器人協作控制方法")	202210556095.X	20/05/2022	23/05/2023	19/05/2042
23. .	Our Company	Invention	A type of high-precision multi-sensor fusion ranging system for cobots ("一種協作機器人高精度多傳感融合測距系統")	202210598478.3	30/05/2022	12/07/2024	29/05/2042
24. .	Our Company	Invention	Reducer ("減速器")	202210810372.5	11/07/2022	12/04/2024	10/07/2042
25. .	Our Company	Invention	Elastomeric components and brakes for brakes ("用於制動器的彈性組件及制動器")	202310747489.8	25/06/2023	31/10/2023	24/06/2043
26. .	Our Company	Invention	Hollow shaft assemblies, joint modules and robots ("中空軸組件、關節模組及機器人")	202210887586.2	26/07/2022	20/05/2025	25/07/2042
27. .	Our Company	Invention	Robot motor debugging method, device, computer equipment and storage medium ("機器人電機調試的方法、裝置、計算機設備和存儲介質")	202210315780.3	29/03/2022	04/07/2025	28/03/2042

No.	Patent Owner	Type	Patent	Patent No.	Application Date	Grant Date	Expiry Date
28. .	Our Company	Invention	Robot safety emergency stop methods, devices, computer equipment, readable storage media and program products ("機器人安全急停方法、裝置、計算機設備、可讀存儲介質和程序產品")	202510247006.7	04/03/2025	04/07/2025	03/03/2045
29. .	Our Company	Invention	Cobot safety testing methods, devices, computer equipment, and storage media ("協作機器人安全測試方法、裝置、計算機設備和存儲介質")	202210961318.0	11/08/2022	05/09/2025	10/08/2042
30. .	Our Company	Invention	Robot joint module and robot ("機器人關節模組和機器人")	202310647023.0	31/05/2023	12/09/2025	30/05/2043
31. .	Our Company	Invention	Cobot control device and cobot system ("協作機器人控制裝置和協作機器人系統")	202310954641.X	31/07/2023	17/10/2025	30/07/2043
32. .	Our Company	Invention	Robot control methods, devices, electronic equipment, readable storage media and program products ("機器人控制方法、裝置、電子設備、可讀存儲介質和程序產品")	202410832648.9	26/06/2024	28/10/2025	25/06/2044
33. .	Our Company	Invention	Parameter determination method, system and electronic equipment for cobot joint module ("一種協作機器人關節模型參數辨識方法、系統及電子設備")	202411491563.5	24/10/2024	28/10/2025	23/10/2044
34. .	Our Company	Invention	Robot tracking accuracy testing methods, system, devices and storage media ("一種機器人跟隨精度測試方法、系統、設備及存儲介質")	202411551424.7	01/11/2024	28/10/2025	31/10/2044

(b) Trademarks

As of the Latest Practicable Date, the following trademarks have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Trademark Registrant	Trademark	Registration Number	Place of Registration	Class	Valid Period
1. . . .	Our Company		52903272	China	7	2021/8/21-2031/8/20
2. . . .	Our Company		52946577	China	9	2021/12/14-2031/12/13
3. . . .	Our Company		61429063	China	7	2023/6/21-2033/6/20
4. . . .	Our Company		61410315	China	9	2023/6/14-2033/6/13
5. . . .	Our Company		61411549	China	10	2022/6/14-2032/6/13
6. . . .	Our Company		61406415	China	21	2022/8/14-2032/8/13
7. . . .	Our Company		61417168	China	37	2022/9/28-2032/9/27
8. . . .	Our Company		61429303	China	39	2022/8/14-2032/8/13
9. . . .	Our Company		61404726	China	40	2022/6/14-2032/6/13
10. . .	Our Company		61413331	China	42	2023/11/21-2033/11/20
11. . .	Our Company		63739164	China	7	2023/11/21-2033/11/20
12. . .	Our Company		68582051	China	9	2023/8/28-2033/8/27
13. .	Our Company	华沿	80434297	China	9	2025/3/14-2035/3/13
14. .	Our Company	华沿	80428485	China	7	2025/2/21-2035/2/20
15. .	Our Company		306912702	Hong Kong	7,9,42	2025/5/28-2035/5/27
16. .	Our Company	华沿机器人	306912739	Hong Kong	7,9,42	2025/5/28-2035/5/27

Historically, Han's Laser agreed to authorize the Group to use a number of registered trademarks owned by Han's Laser (the "**Licensed Trademarks**") including below trademarks. Such trademark licensing arrangement has been terminated with effect from August 1, 2025.

No.	Trademark Registrant	Trademark	Registration Number	Place of Registration	Class	Valid Period
1 . .	Han's Laser	大族机器人	16723383	China	7	2016/06/06-2026/06/06
2 . .	Han's Laser	HAN'S ROBOT	16723384	China	7	2016/08/14-2026/08/13

(c) Software Copyrights registered

As at the Latest Practicable Date, we have registered the following software copyrights which we consider to be or may be material to our business:

No.	Copyright	Registered Owner	Registration Number	Date of First Publication
1	Drive operation software (abbreviation: drive software) V1.0 ("驅動器操作功能軟件(簡稱:drive軟件) V1.0")	Our Company	2018SR552930	Not yet published
2	HMServo servo drive host computer software [abbreviation: HMServo] V2.0 ("HMServo伺服驅動上位機軟件[簡稱:HMServo]V2.0")	Our Company	2018SR552933	19/08/2011
3	HansKR motion control system V1.0 ("HansKR運動控制系統 V1.0")	Our Company	2018SR552937	Not yet published
4	HMServo servo drive host computer software [abbreviation: HMServo] V3.0 ("HMServo伺服驅動上位機軟件[簡稱:HMServo] V3.0")	Our Company	2018SR552926	Not yet published
5	Motor drive control software V1.0 ("電機驅動控制軟件 V1.0")	Our Company	2018SR112421	Not yet published

No.	Copyright	Registered Owner	Registration Number	Date of First Publication
6	Dazu drive control software V1.0 ("大族驅動控制軟件 V1.0")	Our Company	2019SR0516344	30/12/2017
7	Dazu motion platform control software V1.0 ("大族運動平台控制軟件 V1.0")	Our Company	2019SR0514753	30/12/2017
8	Dazu controller automatic upgrade software V1.0 ("大族機器人控制器自動升級軟件 V1.0")	Our Company	2019SR0779295	20/02/2019
9	HMServo servo drive host computer software [abbreviation: HMServo] V4.0 ("HMServo伺服驅動上位機軟件[簡稱 :HMServo] V4.0")	Our Company	2019SR1342507	Not yet published
10 . . .	Web demonstrator software V1.0 ("Web示教器軟件V1.0")	Our Company	2019SR1338561	Not yet published
11 . . .	Dazu robot control software V1.0 ("大族機器人控制軟件V1.0")	Our Company	2019SR1347761	15/07/2019
12 . . .	Dazu robot controller automatic packaging software ("v1.0大族機器人控制器自動打包軟件 V1.0")	Our Company	2020SR0501422	23/06/2019
13 . . .	RzServo driven host PC software [Abbreviation: RzServo] V1.0 ("RzServo伺服驅動上位機軟件[簡稱 :RzServo]V1.0")	Our Company	2021SR2060460	Not yet published
14 . . .	Robot trajectory analysis software V1.0 ("機器人軌跡分析軟件V1.0")	Our Company	2022SR1346657	Not yet published

No.	Copyright	Registered Owner	Registration Number	Date of First Publication
15 . . .	Cobot intelligent IoT welding software [abbreviation: intelligent IoT welding software] V1.0 (“協作機器人智能物聯焊接軟件[簡稱:智能物聯焊接軟件]V1.0”)	Our Company	2022SR1387359	Not yet published
16 . . .	Cobot safety plane software [abbreviation: safety plane] V1.0 (“協作機器人安全平面軟件[簡稱:安全平面]V1.0”)	Our Company	2023SR0448449	04/01/2023
17 . . .	Robot controller automated test software [abbreviation: automated test tool] V1.0 (“機器人控制器自動化測試軟件[簡稱:自動化測試工具]V1.0”)	Our Company	2023SR0536805	Not yet published
18 . . .	Robot posture control application software [abbreviation: posture control application] V1.0 (“機器人體態控制應用軟件[簡稱:體態控制應用]V1.0”)	Our Company	2023SR1443052	Not yet published
19 . . .	Robot extension axis plug-in (“V1.0機器人擴展軸插件V1.0”)	Our Company	2024SR1650366	Not yet published
20 . . .	Spraying plugin v1.7.0 (“噴塗插件V1.7.0”)	Our Company	2024SR1609659	Not yet published
21 . . .	System security board debugging software [abbreviation: HR_SCBTools] V1.1(“系統安全板調試軟件[簡稱 :HR_SCBTools]V1.1”)	Our Company	2024SR1649586	Not yet published

No.	Copyright	Registered Owner	Registration Number	Date of First Publication
22 . . .	Controller script debugging software V1.0 (“控制器腳本調試軟件V1.0”)	Our Company	2024SR1786182	Not yet published
23 . . .	Cobot screw locking plug-in V1.0 (“協作機器人螺絲鎖付插件V1.0”)	Our Company	2024SR1722272	Not yet published
24 . . .	Multi-axis controller software V1.0 (“多軸控制器軟件V1.0”)	Our Company	2024SR2133229	Not yet published
25 . . .	HansRobot origin configuration software [Abbreviation: Tools] V1.0 (“HansRobot原點配置軟件[簡稱:Tools]V1.0”)	Our Company	2025SR0230112	15/09/2024
26 . . .	HMServo servo drive host computer software [abbreviation: HMServo] V6.0 (“HMServo伺服驅動上位機軟件[簡稱:HMServo]V6.0”)	Jiutian Power Technology	2021SR2174820	Not yet published
27 . . .	Cobot force control software [abbreviation: force control software] V1.0 (“協作機器人力控軟件[簡稱:力控軟件]V1.0”)	Jiutian Power Technology	2021SR2174821	16/11/2021
28 . . .	Cobot welding software V1.0 (“協作機器人焊接軟件V1.0”)	Jiutian Power Technology	2022SR0502408	10/12/2021
29 . . .	Cobot robot spraying software V1.0 (“協作機器人噴塗軟件V1.0”)	Jiutian Power Technology	2023SR0253643	10/12/2021
30 . . .	Cobot Elfin software [abbreviation: Elfin software] V1.0 (“協作機器人Elfin軟件[簡稱:Elfin軟件]V1.0”)	Jiutian Power Technology	2022SR1439750	Not yet published

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Contracts

Each of the Directors entered into a service contract or appointment letter with our Company. The principal particulars of these service contracts and appointment letters comprise (i) the terms of the service and (ii) termination provisions in accordance with their respective terms. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any 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. Directors' Remuneration

Save as disclosed in "Directors and Senior Management — Remuneration of Directors and Senior Management" and under Note 8 to the financial information in the Accountant's Report set out in Appendix I, no Director received any other fees, salaries, allowances, share based compensation, pension schemes contribution and other benefits in kind (if applicable) from our Company for the three years ended December 31, 2024 and the nine months ended September 30, 2025.

4. DISCLOSURE OF INTERESTS

A. Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this Prospectus, up to the Latest Practicable Date, our Directors or chief executive were not aware of any other person, not being a Director or chief executive of our Company, who had an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the Global Offering, would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any member of our Group.

B. Directors or Chief Executives

Save as disclosed below and in the section headed "Substantial Shareholders" in this Prospectus, immediately following completion of the Global Offering (and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), none of our Directors or chief executive of our Company has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which has been taken or is 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 will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange.

C. Disclaimers

Save as disclosed in this Prospectus:

(a) none of our Directors or chief executive of our Company has any interests and short positions in the shares, underlying Shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to us and the Stock Exchange, in each case once our Shares are listed.;

(b) none of our Directors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once our Shares are listed on the Stock Exchange;

(c) none of our Directors nor any of the parties listed in "— 6. Other Information — G. Qualification of Experts" of this Appendix is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business;

(d) none of our Directors nor any of the parties listed in "— 6. Other Information — G. Qualification of Experts" of this Appendix is interested in our promotion, or in any assets which have, within two years immediately preceding the issue of this Prospectus, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;

(e) none of the parties listed in the paragraph headed "— 6. Other Information — G. Qualification of Experts" of this Appendix: (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities; and

(f) save as disclosed in the section headed "Business" in this Prospectus, none of our Directors or their respective associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers in each year/period during the Track Record Period.

5. EMPLOYEE INCENTIVE SCHEMES

In order to further enhance our corporate governance structure, attract and retain management talents and employees, incentivize our employees to promote our sustainable development and maximize value for the Company and the Shareholders, we adopted employee incentive schemes (the "**Employee Incentive Schemes**") in December 2021 and May 2025 to award the partnership interests in our employee incentive platforms to the scheme participants (the "**Participant**"). The Employee Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules.

(a) Employee Incentive Platforms

Zhirenxing, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun were established in March 25, 2021, May 9, 2025, May 7, 2025, May 16, 2025 and May 20, 2025 to serve as our employee incentive platforms.

Set out below is the holding structure of our employee incentive platforms as of the Latest Practicable Date:

- ***Zhirenxing***: The general partner of Zhirenxing is Zhirentuan Tech, holding 1% partnership interests therein. The remaining 99% partnership interests in Zhirenxing are held by 37 limited partners who are current/former employees or advisor of our Group, among whom, Mr. Zhang Yingtao, our executive Director, Mr. Wang Xianli, our connected person, and Mr. Zhao Yi (resigned as a director of the Company in May 2025), our connected person, holds approximately 19.77%, 12.59%, and 12.53% partnership interests therein, respectively. None of the other limited partners of Zhirenxing hold more than 15% partnership interests therein.

- ***Zhirenxue***: The general partner of Zhirenxue is Zhirentuan Tech, holding 0.06% partnership interests therein. The remaining 99.94% partnership interests in Zhirenxue are held by 45 limited partners who are employees or adviser of our Group, among whom, Mr. Zhang Yingtao, our executive Director, Mr. Zhao Yi, our connected person, and Mr. Wang, our executive Director and one of the Controlling Shareholders, holds approximately 10.44%, 4.64% and 1.54% partnership interests therein, respectively. None of the other limited partners of Zhirenxue hold more than 15% partnership interests therein.

- ***Zhirenle***: The general partner of Zhirenle is Zhirentuan Tech, holding 0.1% partnership interests therein. The remaining 99.9% partnership interests in Zhirenle are held by 45 limited partners who are employees of our Group, among whom Mr. Zhang, Mr. Wang, our executive Directors and Controlling Shareholders, holds 10% and 4.2% partnership interests therein, respectively. None of the other limited partners of Zhirenle hold more than 10% partnership interests therein.

- ***Zhirenju***: The general partner of Zhirenju is Zhirentuan Tech, holding 0.2% partnership interests therein. The remaining 99.8% partnership interests in Zhirenju are held by 45 limited partners who are employees of our Group, among whom, Mr. Wang, our executive Director, one of the Controlling Shareholders, holds 19% partnership interests therein. None of the other limited partners of Zhirenju hold more than 5% partnership interests therein.

- ***Zhirenyun***: The general partner of Zhirenyun is Zhirentuan Tech, holding approximately 0.1% partnership interests therein. The remaining approximately 99.9% partnership interests in Zhirenyun are held by 43 limited partners who are employees of our Group, among whom, Mr. Wang, our executive Director, one of the Controlling Shareholders, holds approximately 42.3% partnership interests therein. None of the other limited partners of Zhirenyun hold more than 5% partnership interests therein.

(b) Administration

The Employee Incentive Schemes shall be reviewed and revised by the Board and approved by the Shareholders. Subject to the authorisation from the Shareholders, the Board shall be responsible for the implementation of the Employee Incentive Schemes.

(c) Participants

The participants ("**Participants**") of the Employee Incentive Schemes shall be an employee of our Group including senior management, middle management, core technicists, core business personnel and other important employees as deemed by the Board and subject to the adjustment by the general partner of the Employee Incentive Platform.

(d) Term

The Employee Incentive Schemes are valid and effective from their respective adoption dates and subject to termination by the Shareholders in accordance with the terms of the Employee Incentive Schemes.

(e) Shares under the Employee Incentive Schemes

As of May 29, 2025, a total of 36,978,240 Shares were held by Zhirenxing, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun. We do not expect to grant additional partnership interest or Shares as incentive under the Employee Incentive Schemes. Immediately following completion of the Global Offering, the aggregate number of Shares underlying the Employee Incentive Schemes remain as 36,978,240 representing 6.96% of the total issued Shares (without taking into consideration the exercise of the Offer Size Adjustment Option and the Over-allotment Option). As a result, the Employee Incentive Schemes will not cause any dilution of the shareholding of our Shareholders immediately after the Global Offering. For further details on the interest of our connected persons granted under the Employee Incentive Schemes, see "— 5. Employee Incentive Schemes — (a) Employee Incentive Platforms."

(f) Transferability

The Shares held by the Employee Incentive Platforms are subject to the statutory lock-up period as provided under relevant laws and regulations. Subject to fulfillment of the performance targets, the partnership interests held by the Participants shall be unlocked (i) within two years; or (ii) in four installments, namely 25% for each of the four years ending December 31, 2025, 2026, 2027 and 2028. Whether during such lock-up period or otherwise, without the prior written consent of the general partners of the Employee Incentive Platforms Participants shall not dispose the interest in the Shares granted under the Employee Incentive Schemes held by him/her by way of transfer, pledge or debt repayment to any person other than the employees of the Company.

During the above lock-up period, Participants shall not in any way transfer the partnership interests held by him/her without the prior consent of the general partners of the Employee Incentive Platforms. During the above lock-up period, the general partners of the employee incentive platforms may repurchase or designate a third party who is qualified to be a Participant to purchase part or all of the partnership interests granted to a Participant in the events, including (i) voluntary resignation of the Participant during the employment contract period due to his/her own reasons; (ii) non-renewal of the employment contract between the Participant and our Company after its expiration; (iii) loss of the Participant's ability to work; (iv) the retirement of the Participant; (v) the death of the Participant or (vi) any other situation as determined by the Board.

6. OTHER INFORMATION

A. Estate Duty

We have been advised that no material liability for estate duty under the PRC law is likely to fall upon our Company or any member of our Group.

B. Litigation

As of the Latest Practicable Date, we were not involved in any material litigation, arbitration or administrative proceedings, and so far as our Directors are aware, no such material litigation, arbitration or administrative proceedings are pending or threatened against any member of our Group.

C. Joint Sponsors

Each of the Joint Sponsors is independent pursuant to Rule 3A.07 of the Listing Rules.

The Joint Sponsors have made an application on our behalf to the Listing Committee for listing of, and permission to deal in, our H Shares, including any Offer Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

We have entered into individual engagement agreements with the Joint Sponsors, pursuant to which we agreed to pay an aggregate amount of US$800,000 to China International Capital Corporation Hong Kong Securities Limited and Deutsche Securities Asia Limited for acting as Joint Sponsors to our Company in the Global Offering.

D. Compliance Adviser

We have appointed Gram Capital Limited as our compliance adviser in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

F. Promoters

The promoters of our Company are Zhirentuan, Han's Laser, Zhongshen Xinchuang, Zhirenxing, Shenzhen Tianle, Fujian Min'an, Mr. Wang, Suzhou Tengxin, Yantai Xinzhen, Zhucheng Zhaoying, Foshan Zhaoke, Foshan Pengxia, Guoke Ruihua, Baoshi Xinqiao, Guangdong Yuecai, Shenzhen Qielou, Xianzhikong, Shanghai Huaqi, Wuxi Xindongneng, Shenzhen Qunte, Founder Securities, Shenzhen Talent, Zhongxiaodan, Zhirenying, Toposcend, Shenzhen Shuohang, Mr. Zhang, Ms. Liu Hong, CAS Zhengdao and Chuangying Jianke.

Save as disclosed in this Prospectus, within the two years immediately preceding the date of this Prospectus, no cash, securities or other interest have been paid, allotted or given to the above promoters in connection with the Global Offering or related transactions in this Prospectus.

G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given their opinions or advice in the Prospectus, are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for 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) of the regulated activities as defined under the SFO
Deutsche Securities Asia Limited	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditors under the Accounting and Financial Reporting Council Ordinance
King & Wood Mallesons	PRC Legal Advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Ashurst	US export control and OIR legal advisor

H. Consents of Experts

Each of the experts as referred to in "— 6. Other Information — G. Qualification of Experts" has given, and has not withdrawn, its respective written consents to the issue of this Prospectus with the inclusion of its reports 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 has any shareholding interests in any member of our Group or the right (other than the penal provisions) of sections 44A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

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 are effected on the H share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if higher) the fair value of the H Shares being sold or transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the H Shares. In addition, a fixed duty of HK$5 is charged on each instrument of transfer (if required). For further information in relation to taxation.

J. No Material Adverse Change

Save as disclosed in this Prospectus, our Directors confirm that there has been no material adverse change in our financial or operational position since September 30, 2025, being the end date of our latest audited financial statements, and up to the Latest Practicable Date.

K. Binding effect

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

L. Related Party Transactions

Within the two years immediately preceding the date of this Prospectus, we have entered into the related party transactions as described in Note 38 to the financial information in the Accountant's Report set out in Appendix I.

M. Agency Fees or Commissions Paid or Payable

Save as disclosed in this Prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years preceding the date of this Prospectus.

N. Miscellaneous

Save as disclosed in this Prospectus:

(a) within the two years immediately preceding the date of this Prospectus, we have not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;

(b) no share or loan capital of our Group, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued or agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(f) within the two years immediately preceding the date of this Prospectus, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of our Company;

(g) there is no arrangement under which future dividends are waived or agreed to be waived;

(h) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and

(i) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

O. Bilingual Prospectus

The English language and Chinese language versions of this Prospectus 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 the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" in Appendix IV to this prospectus; and

(b) the written consents referred to under the paragraph headed "Statutory and General Information — 6. Other Information — H. Consents of experts" in Appendix IV to this prospectus.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.huayan-robotics.com** up to and including the date which is 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report of our Group prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Group for the three years ended December 31, 2024 and the nine months ended September 30, 2025;

(d) the report on the unaudited pro forma financial information of our Group prepared by Ernst & Young, the text of which is set out in Appendix II to this prospectus;

(e) the service contracts referred to in the paragraph headed "Statutory and General Information — 3. Further Information about our Directors — A. Particulars of Directors' Contracts" in Appendix IV to this prospectus;

(f) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" in Appendix IV to this prospectus;

(g) the written consents referred to under the paragraph headed "Statutory and General Information — 6. Other Information — H. Consents of experts" in Appendix IV to this prospectus;

(h) the legal opinions issued by King & Wood Mallesons, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC law;

(i) the legal memo issued by Ashurst, our export control and OIR legal advisor, in respect of, among other things, the export control and OIR analysis under US law;

(j) the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview" in this Prospectus;

(k) the PRC Company Law, PRC Securities Law and Overseas Listing Trial Measures together with their unofficial English translations.

廣東華沿機器人股份有限公司

Guangdong Huayan Robotics Co., Ltd.