浙江凱樂士科技集團股份有限公司
Zhejiang Galaxis Technology Group Co., Ltd.

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

Stock Code : 2729

GLOBAL OFFERING

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

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

CITIC SECURITIES

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

Zhejiang Galaxis Technology Group Co., Ltd.
浙江凱樂士科技集團股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares in the Global Offering	**:**	**36,798,000 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**3,679,800 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**33,118,200 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$20.40 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**RMB1.00 per H Share**
Stock Code	**:**	**2729**

Joint Sponsors

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

CITIC SECURITIES

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

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

CITIC SECURITIES

CMBI 招銀国际

YELLOW RIVER SECURITIES

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

ICBC 工银国际

ABCI 農銀國際

Joint Bookrunners and Joint Lead Managers

建银国际 CCB International

雲鋒證券 YUNFENG SECURITIES

利弗莫尔证券 LIVERMORE HOLDINGS LIMITED

浦銀國際 SPDBI

申萬宏源香港 SWHYHK

元宇宙(國際)證券

仁和資本 ARMONIA CAPITAL

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

A copy of this prospectus, having attached thereto the documents specified in "Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display" 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 document referred to above.

The Offer Price is expected to be fixed by agreement between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or before Friday, March 20, 2026 and, in any event, not later than 12:00 noon on Friday, March 20, 2026. The Offer Price will be no more than HK$20.40 and is currently expected to be not less than HK$16.40. Applicants for Hong Kong Offer Shares are required to pay, on application (subject to application channel), the maximum Offer Price of HK$20.40 for each Hong Kong Offer Share together with brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, subject to refund if the Offer Price should be lower than HK$20.40. If, for any reason, the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and us are unable to reach an agreement on the Offer Price, the Global Offering will not proceed and will lapse.

The Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters, and with our consent) may, where considered appropriate and with our consent, reduce the number of Hong Kong Offer Shares and/or the indicative Offer Price range that 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 and/or the indicative Offer Price range will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.galaxis-tech.com** as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. For more details, see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, including but not limited to the risk factors set out in the section headed "Risk Factors" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares, are subject to termination by the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus.

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

ATTENTION

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

This prospectus is available at the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**www.galaxis-tech.com**). **If you require a printed copy of this prospectus, you may download and print from the website addresses above.**

March 16, 2026

**IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS**

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

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

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

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

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

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

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

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

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

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

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

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application
	HK$		*HK$*		*HK$*		*HK$*
200	4,121.15	3,000	61,817.20	40,000	824,229.35	500,000	10,302,867.00
400	8,242.29	4,000	82,422.93	50,000	1,030,286.70	600,000	12,363,440.40
600	12,363.44	5,000	103,028.66	60,000	1,236,344.05	700,000	14,424,013.80
800	16,484.58	6,000	123,634.40	70,000	1,442,401.38	800,000	16,484,587.20
1,000	20,605.73	7,000	144,240.14	80,000	1,648,458.72	900,000	18,545,160.60
1,200	24,726.88	8,000	164,845.87	90,000	1,854,516.05	1,000,000	20,605,734.00
1,400	28,848.02	9,000	185,451.61	100,000	2,060,573.40	1,200,000	24,726,880.80
1,600	32,969.17	10,000	206,057.35	200,000	4,121,146.80	1,400,000	28,848,027.60
1,800	37,090.32	20,000	412,114.68	300,000	6,181,720.20	1,600,000	32,969,174.40
2,000	41,211.47	30,000	618,172.02	400,000	8,242,293.60	1,839,800(1)	37,910,429.41

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

(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) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

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

Date[1]

Hong Kong Public Offering commences . . . . 9:00 a.m. on Monday, March 16, 2026

Latest time to complete electronic applications under **White Form eIPO** service through the designated website at **www.eipo.com.hk**[2] . . . . 11:30 a.m. on Thursday, March 19, 2026

Application lists of the Hong Kong Public Offering open[3] . . . . 11:45 a.m. on Thursday, March 19, 2026

Latest time to (a) complete payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) give **electronic application instructions** to HKSCC[4] . . . . 12:00 noon on Thursday, March 19, 2026

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

Application lists of the Hong Kong Public Offering close[3] . . . . 12:00 noon on Thursday, March 19, 2026

Expected Price Determination Date[5] . . . . by 12:00 noon on Friday, March 20, 2026

Announcement of the Final Offer Price, the results of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering and the basis of allocation of the Hong Kong Offer Shares under the Hong Kong Public Offering to be published on the website of the Stock Exchange at **www.hkexnews.hk** and the website of our Company at **www.galaxis-tech.com**[6] . . . . no later than 11:00 p.m. on Monday, March 23, 2026

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

(1) A full announcement of the Hong Kong Public Offering to be published on the website of the Stock Exchange at **www.hkexnews.hk** and the website of our Company at **www.galaxis-tech.com**[6]. . . . . no later than 11:00 p.m. on Monday, March 23, 2026

(2) Results of allocations in the Hong Kong Public Offering will be available at **www.iporesults.com.hk** (alternatively, **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function on a 24-hour basis from . . . . 11:00 p.m. on Monday, March 23, 2026 to 12:00 midnight on Sunday, March 29, 2026

(3) Allocation results telephone enquiry by calling +852 2862 8555 . . . . between 9:00 a.m. and 6:00 p.m. on Tuesday, March 24, 2026, Wednesday, March 25, 2026, Thursday, March 26, 2026, and Friday, March 27, 2026

Dispatch/Deposit of H Share certificates into CCASS in respect of wholly or partially successful application under the Hong Kong Public Offering on . . . . Monday, March 23, 2026

Dispatch/collection of refund cheques and **White Form** e-Refund payment instructions in respect of (i) wholly or partially successful applications (if applicable) and (ii) wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before[8][9] . . . . Tuesday, March 24, 2026

Dealings in H Shares on the Stock Exchange expected to commence at 9:00 a.m. on . . . . Tuesday, March 24, 2026

The above expected timetable is a summary only. See the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus for details of the structure and conditions of the Global Offering, as well as the application procedures for Hong Kong Public Offering.

1 All dates and times refer to Hong Kong local dates and times, except as otherwise stated.

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

3 If there is a "black" rainstorm warning 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 Thursday, March 19, 2026, the application lists will not open or close on that day. See "How to Apply for Hong Kong Offer Shares — E. SEVERE WEATHER ARRANGEMENTS" in this prospectus.

4 Applicants who apply for Hong Kong Offer Shares by instructing your **broker** or **custodian** to give electronic application instruction(s) on your behalf via **HKSCC EIPO** channel should see "How to Apply for Hong Kong Offer Shares — A. APPLICATION FOR HONG KONG OFFER SHARES — 2. Application Channels" in this prospectus.

5 The Price Determination Date is expected to be on or before Friday, March 20, 2026. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company by 12:00 noon on Friday, March 20, 2026, the Global Offering will not proceed and will lapse.

6 None of the websites or any of the information contained on the websites forms part of this prospectus.

7 H Share certificates for the Offer Shares will become valid evidence of title at 8:00 a.m. on Tuesday, March 24, 2026 provided that (i) the Global Offering has become unconditional in all respects and (ii) none of the Underwriting Agreements have been terminated in accordance with its terms.

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

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

9 Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES" in this prospectus for details.

Further information is set out in the sections headed "How to Apply for Hong Kong Offer Shares — D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES" in this prospectus.

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by us 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 buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or 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 Hong Kong Offer Shares or the distribution in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Hong Kong 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 made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners and the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives, or any other person or party involved in the Global Offering.

CONTENTS

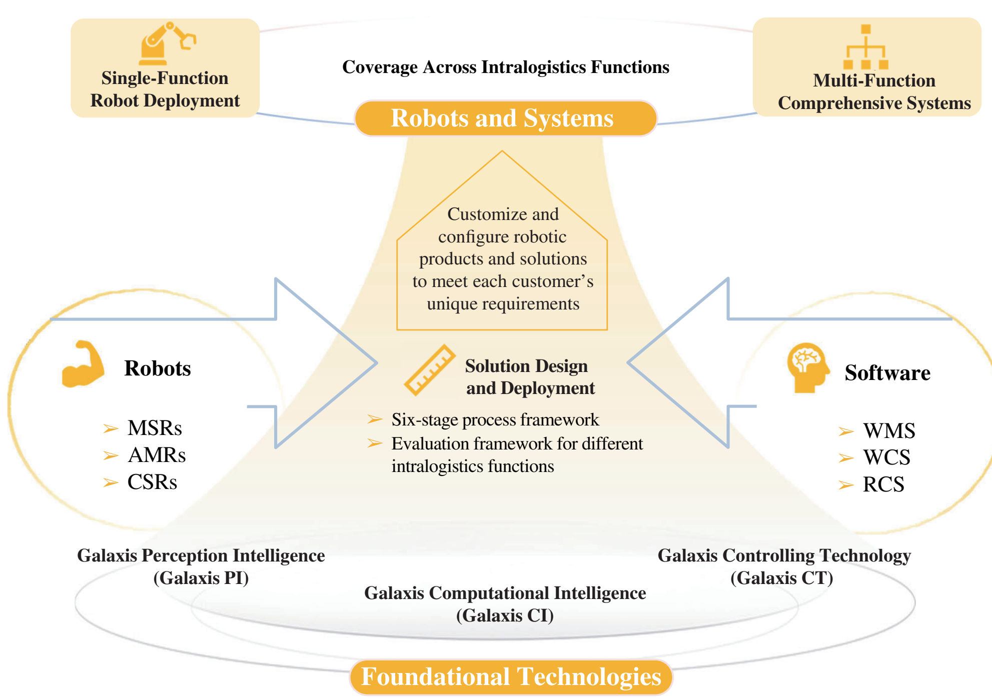
This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the risks involved in investing in the Offer Shares are set out in the "Risk Factors" section of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. During the Track Record Period, we recorded net losses and experienced net operating cash outflows, and we anticipate continuing this trend into 2026.

OVERVIEW

We are an intelligent intralogistics robotics provider offering a diverse range of robots centered on three core product lines: multi-directional shuttle robots (MSRs), autonomous mobile robots (AMRs), and conveying and sorting robots (CSRs). Our robotics portfolio covers the entire spectrum of intralogistics operations, addressing the core functions of storage, sorting and transport. We are among the established players in the intelligent intralogistics robotics industry with broad robotics capabilities and a diverse portfolio of self-developed robots that cover core intralogistics functions across widely adopted height and payload specifications. With over a decade of long-standing commitment to innovation in intralogistics automation, we ranked the fifth among the top five comprehensive intelligent intralogistics robotics companies in China by revenue in 2024, with a market share of 1.6%.

Operating within the midstream segment of the industry, we provide intelligent intralogistics solutions that address the fundamental challenges of modern warehouse operations. By combining advanced robotics and intelligent software through system design expertise, we deliver flexible and scalable automation that increases operational efficiency, enhances reliability, reduces costs, and adapts to changing business needs. Our solutions transform traditional warehouses into intelligent facilities capable of meeting the dynamic demands of contemporary commerce, while significantly reducing reliance on manual labor and rigid infrastructure.

Over the years, we have built a diverse portfolio of advanced robotic products covering the three core intralogistics functions of storage, sorting, and transport as well as proprietary software and control systems for facility-wide coordination. Through extensive implementation, we have developed a systematic approach to solution design and deployment, which marries our robots and software to address the inherent complexity of modern intralogistics operations. The following diagram illustrates our diverse product and solution offerings and our technology capabilities:



Our adoption of an integrated approach to developing effective intelligent intralogistics solutions is crucial to our success, because each facility presents unique challenges such as distinct layouts, workflow patterns, and operational requirements that standardized solutions cannot adequately address. Our robotic systems, intelligent software, and solution design expertise allows us to precisely match each customer's unique requirements. This enables us to deliver solutions across the full spectrum of modern intralogistics needs, from targeted robotic deployments to comprehensive facility systems.

Market Opportunities and Value Propositions

Rising land costs, labor pressures, and workforce shortage are pushing traditional manual logistics toward unsustainable operational costs globally. While conventional automation remains limited by rigid functionality, this robotization and intelligence drive is catalyzing a transformation for global intralogistics automation that will fundamentally transform operational efficiency across society. Driven by such rising operational costs and complexity, and growing demand for efficiency, the global intelligent intralogistics market is projected to reach RMB522.8 billion in 2025, and RMB991.9 billion by 2030, growing at a CAGR of 13.7%, according to Frost & Sullivan. China is a major player in the intelligent intralogistics market, with its market size increasing from RMB96.0 billion in 2020 to RMB175.9 billion in 2024, representing a CAGR of 16.3%. By 2030, the market is expected to reach RMB413.7 billion, with a projected CAGR of 15.1% from 2025 to 2030.

We deliver compelling value through three key aspects:

- **Maximizing Operational Efficiency.** Our flexible, intelligent intralogistics robots and systems enable customers to streamline their material flow, optimize resource utilization, and reduce operational costs. Through systematic automation of labor-intensive tasks, we help customers achieve sustainable productivity gains and reliable performance.

- **Driving Intelligent Transformation.** Our intelligent robots and systems leverage real-time monitoring and data analytics to transform traditional warehouse operations. This integration of robotics with intelligent technology enables automated workflow optimization and warehouse management, hence creating new operational capabilities.

- **Shaping Industry Standards and Empowering Society.** We actively contribute to industry advancement through open platforms and standard-setting initiatives. As a co-drafter of the national standards for "General Warehouse Classifications" (通用倉庫等級) and industry standards for "Medical Logistics Standardization" (醫藥物流標準化), we help establish unified operational frameworks that facilitates collaboration across the industry value chain.

OUR BUSINESS AND REVENUE MODEL

We adopt a project-based business model to address the needs of different intralogistics facilities. Each customer location presents distinct layouts, workflow patterns, and operational requirements that standardized solutions cannot effectively address. Success requires deep understanding of the complex relationships between material flow, inventory management, and resource scheduling. Rather than offering standardized products, we develop customized solutions through carefully designed projects that precisely match customer requirements while leveraging our field-tested products and implementation expertise.

We generate revenue from our intelligent intralogistics solutions through the sales of robots and systems, and after sales and other services. In terms of robots and systems, these are delivered through two primary modes:

- **Single-Function Robot Deployment:** Projects that are centered on using our self-developed robots to address specific single operational needs, such as storage, sorting, or transport. Projects under this mode primarily involve a single type of our intelligent robots, such as AMR, MSR and CSR. These solutions may involve single or multiple robots targeting the same particular function, and are typically implemented for further system integration, although they may also be directly adopted by enterprise customers.

- **Multi-Function Comprehensive Systems:** Projects that integrate our self-developed robots with third-party products to address multiple operational needs simultaneously, such as complete warehouse systems handling storage, picking, sorting, and transport. Projects under this mode primarily involves the integration of two or more types of our intelligent robots, such as AMR, MSR and CSR. These solutions primarily serve enterprise customers by delivering customized end-to-end solutions.

As of December 31, 2025, we have achieved an aggregate backlog value of robots and systems of approximately RMB2.2 billion, which we expect to fulfill within the next three years. The table below sets forth the number of projects fulfilled with respect to robots and systems for the years/periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
Robots and Systems	102	106	123	75	110
– Single-function robot deployment	47	34	51	32	63
– Multi-function comprehensive systems	55	72	72	43	47

We also offer a range of after-sales services, including post-warranty routine maintenance, system optimization, technical consulting, and spare parts management, facilitating customers to maintain peak system performance.

Our Portfolio of Intelligent Robots

Intelligent robots form the cornerstone of intralogistics automation. We offer a complete range of robots, from lightweight tote to heavy pallet handling, enabling automation across multi-story warehouses and high-bay facilities. We are among the established players in the intelligent intralogistics robotics industry with broad robotics capabilities and a diverse portfolio of self-developed robots that cover core intralogistics functions across widely adopted height and payload specifications. Our product portfolio is underpinned by patent protection across China and key overseas markets, enabling us to deliver comprehensive automation systems across diverse logistic applications. Building on this foundation, our product innovation centers on the following product lines:

- **Multi-directional Shuttle Robots (MSRs):** Our MSRs includes robots designed for tote and pallet handling. These robots can move in four directions (forward, backward, left, right) on a plane, operate across aisles, and work in conjunction with high-speed lifts to enable multi-level operations. Within the three-dimensional space formed by dense storage racks, each MSR can reach any storage location in the shuttle warehouse, retrieve or store totes/pallets, and transport them to designated positions, thus enabling goods-to-person.

- **Autonomous Mobile Robots (AMRs):** Our AMRs includes robots designed for tote and pallet handling and transportation. These robots feature high precision and efficiency, suitable for high-density storage environments. Equipped with our proprietary multi-sensor fusion algorithm, hybrid SLAM navigation, and comprehensive positioning technology, they can seamlessly interface with floor-level totes and pallets. They can also perform tote/pallet lifting functions and accurately connect with various rack docking points, achieving efficient integration with tote/pallet racking for tote/pallet storage and transportation needs.

- **Conveying and Sorting Robots (CSRs):** Our CSRs are integral to modern intelligent logistics operations, employing advanced multi-sensor, vision recognition and intelligent algorithms to enable the effective transportation of goods along interconnected conveyor tracks and sorting. These robots execute precision picking and placement operations with millisecond-level responsiveness, rapidly distributing items to designated channels through robotic arms and sorting mechanisms. Their modular design and flexible control systems enable both high-speed processing of standardized items and delicate handling of irregular goods, achieving 24/7 operation with high accuracy.

Our Software Ecosystem

Our advanced software system drives our intelligent intralogistics robots and systems, ensuring successful implementation and operation of large-scale automated logistics centers. Our core software includes: (i) our Warehouse Management System (WMS) provides real-time monitoring of customers' inventory turnover processes, effectively controlling and tracking warehouse operations and cost management, enabling million-order-level daily data processing through deep integration with our Galaxis CI platform and lowcode fusion development platform; (ii) our Warehouse Control System (WCS) forms the operational core of warehouse coordination, controlling and scheduling various intelligent intralogistics robots to create complete task-to-execution workflows using a high-concurrency multi-process architecture, with modular programming language and multiple communication protocol compatibility providing foundational support for third-party WMS systems and logistics robots; and (iii) our Robot Control System (RCS), working in conjunction with WCS scheduling commands, enables large-scale cluster scheduling of over 1,000 robots operating simultaneously, leveraging 2- and 3-dimensional path planning and predefined path-optimization algorithms to enable systematic responses in robot scheduling according to order volumes, inventory status, task sequences, and equipment routing.

Solution Design and Deployment

Intralogistics automation comes with significant challenges, such as varying use cases, operating conditions, and diverse customer needs. Consequently, companies in this industry cannot rely on simply selling and delivering standalone robots. Instead, they must customize and configure their robotic products and solutions to meet each customer's unique requirements. Building a successful logistics center requires reliable robots and effective software, along with established expertise in designing and implementing the solution. It also requires deep industry insight, project implementation expertise, strong execution capabilities, and dedicated service support to ensure smooth deployment.

To systematically address these challenges, we have developed a solid six-stage process framework for effective solution design and deployment. This comprehensive framework covers the entire process from initial solution design and system development, through product manufacturing and implementation, to operational guidance and lifecycle management. Each stage is executed with careful attention to ensure consistent standards in both solution design and deployment.

Drawing on our extensive experience in solution design and deployment, we have synthesized an evaluation framework that can be applied across all industries, facility types, and business models. The framework distills the essential parameters of intralogistics' three core functions - storage, transport, and sorting - including metrics such as storage capacity, facility height, and throughput requirements. This strategically aligns with and is inherently complementary to our product portfolio logic. In particular, our MSR, AMR and CSR product lines each possess unique characteristics across five key dimensions: the three core functions plus flexibility and scalability. Leveraging insights from thousands of successful deployments, we have developed a solid methodology that integrates our evaluation framework with our product portfolio. This enables us to precisely configure and optimally combine our three core robotic product lines to address specific customer operational scenarios and business requirements, delivering highly adaptable solutions for diverse logistics challenges.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have been instrumental to our success and will continue to drive our future growth: (i) established expertise in intralogistics robotics; (ii) diverse portfolio of robots and systems to meet evolving market needs; (iii) innovation capabilities underpinning our sustained competitiveness; (iv) broad customer base and diverse industry expertise; (v) strategic global expansion and international recognition; and (vi) forward-thinking team with technical expertise and culture rooted in innovation.

OUR STRATEGIES

We intend to pursue the following strategies to further grow our business: (i) maintain product innovation leadership and propel comprehensive development of intelligent intralogistics robots; (ii) accelerate international expansion through enhanced global operations; (iii) expand into new industries and applications while reinforcing a long-term growth trajectory; (iv) deepen strategic collaboration across the industry chain and build a global intelligent intralogistics ecosystem; and (v) achieve sustainable development through supply chain transparency and green manufacturing transformation by incorporating renewable energy such as rooftop solar panels and electricity procurement from renewable energy sources such as wind and solar power, upgrading production facilities with energy-efficient lighting and electrical systems, establishing water recycling systems to treat and reuse wastewater, and increasing the recycling rate of packaging waste from our assembly operations, and establishing waste sorting stations to improve the separation and recycling of materials such as metal scraps and plastic waste, with all waste processed by qualified third-party recycling companies in a compliant manner.

SALES AND MARKETING

We are deeply rooted in the domestic markets while strategically expanding our geographic reach. Through years of dedicated effort, we have successfully cultivated a broad and geographically diversified customer base spanning across 19 countries and regions. The following table sets forth a breakdown of our revenue in absolute amounts and as percentages of our total revenue by geography for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000 except for percentages)						*(unaudited)*			
Chinese Mainland	579,739	88.3%	514,314	93.4%	616,501	85.5%	320,955	93.2%	510,121	92.5%
Outside Chinese Mainland	77,185	11.7%	36,476	6.6%	104,916	14.5%	23,261	6.8%	41,516	7.5%
Total	**656,924**	**100.0%**	**550,790**	**100.0%**	**721,417**	**100.0%**	**344,216**	**100.0%**	**551,637**	**100.0%**

We sell our products and services directly to our customers including integrators, who purchase our robots to integrate into their broader warehousing solutions, which is in line with market practice according to Frost & Sullivan. The extensive sales network reflects our long-term commitment to market expansion and effective customer relationship management. See "Business — Sales and Marketing" for details.

OUR CUSTOMERS AND SUPPLIERS

Our customers are primarily enterprises across diverse industries, including automotive, new energy, 3C electronics, pharmaceuticals, e-commerce, and retail, who leverage our robots and systems and after-sales service to improve the efficiency and intelligence of their intralogistics operations. We also sell to integrators, who purchase our robots to integrate into their broader warehousing solutions, which is in line with market practice according to Frost & Sullivan. Revenue generated from our top five customers in each year/period during the Track Record Period accounted for 48.0%, 49.7%, 34.3% and 27.4% of our total revenue in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, and revenue generated from our largest customer in each year/period during the Track Record Period accounted for 14.7%, 14.0%, 10.8% and 6.0% of our total revenue in the same years/periods, respectively. Our Directors confirm that, save for Customer G, none of our Directors, their respective associates or, to the best of their knowledge, any Shareholder holding more than 5% of our issued share capital, held any interest in any of our top five customers in each year/period during the Track Record Period. See “Business — Our Customers” for details.

Our suppliers primarily include suppliers of raw materials, standard components, shelving systems, conventional intelligent equipment and other ancillary equipment for our intelligent intralogistics robots and systems. Purchases from our top five suppliers in each year/period during the Track Record Period accounted for 14.0%, 14.6%, 33.5% and 18.4% of our total purchases in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, and purchase from our largest supplier in each year/period during the Track Record Period accounted for 5.1%, 4.4%, 14.6% and 5.2% of our total purchases in the same years/periods, respectively. Our Directors confirm that, none of our Directors, their respective associates or, to the best of their knowledge, any Shareholder holding more than 5% of our issued share capital, held any interest in any of our top five suppliers in each year/period during the Track Record Period. See “Business — Procurement and Suppliers — Our Suppliers” for details.

RESEARCH AND DEVELOPMENT

R&D is core to our corporate culture. As of September 30, 2025, we had a R&D team of 250 employees, accounting for approximately 29.4% of our workforce. Our R&D team is organized into three R&D departments — robotics R&D center, system R&D center, and AI research institute — each plays a distinct role in supporting our R&D strategy, and continuously drives innovation in our technological capabilities and R&D processes. We experienced a decline in R&D expenses from 2022 to 2024, primarily because several R&D projects progressed beyond the intensive development stages in 2022-2023, and moved into later-stage testing and incremental optimization, requiring fewer resources and lower ongoing expenditure. These included the development of our integrated box and pallet conveying solutions, covering conveying, transfer, alignment and lifting functions, as well as the development of semiconductor conveying solutions, including technologies such as cleanroom-compatible contactless power and precision wafer-box positioning. Fluctuations in R&D expenses during the Track Record Period reflected the progress and life-cycle in individual projects rather than any change in the Company’s strategic focus on R&D. Based on our 2025 unaudited preliminary financial information, our R&D expenses for the full year of 2025 increased further compared to 2024. We are committed to harnessing intelligent technologies, particularly the development and application of digital twins, large models, and other advanced technologies, as evidenced by our allocation of proceeds from the Global Offering in R&D activities. See “Business — Research and Development — Strategic Roadmap for Intelligent Intralogistics Solutions” for details.

PRODUCTION

We have established a highly structured and standardized production process that combines strict quality control with efficient resource management to ensure optimal output and high product quality. We formulate production schedules and plans based on market demand and customer orders, taking into consideration inventory levels and utilization rates of our production facilities. As of the Latest Practicable Date, we had two production facilities in Jiaxing and Wuhu. Our Jiaxing factory primarily produced MSRs and AMRs, while our Wuhu factory mainly produced CSRs. For more details about our production facilities and utilization rate, see “Business — Production.”

COMPETITION

The intelligent intralogistics robotics industry is highly competitive, with rapid technological advancements driving both domestic and international markets. While our strong research and development capabilities provide us with a competitive advantage, we face intense competition from comprehensive intelligent intralogistics robotics companies offering end-to-end systems covering storage, sorting and transport operations, and specialized players focusing on specific robotic categories, as well as companies with non-core but nevertheless commercially significant intralogistics robotics operations. Critical aspects of competition include product portfolio capabilities, technical capabilities, strong customer relationships and deep industry understanding. See “Industry Overview” for details.

SUMMARY OF KEY FINANCIAL INFORMATION

The summary of the key financial information set forth below have been derived from and should be read in conjunction with our consolidated financial statements, including the accompanying notes, set forth in the Accountants' Report in Appendix I to this document, as well as the information set forth in the section headed "Financial Information."

Summary of the Consolidated Statements of Profit or Loss and Other Comprehensive Income

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

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)	*(unaudited)*	
Revenue	**656,924**	**550,790**	**721,417**	**344,216**	**551,637**
Cost of sales	(553,496)	(459,123)	(607,855)	(283,995)	(460,225)
Gross profit	**103,428**	**91,667**	**113,562**	**60,221**	**91,412**
Other income	10,352	24,286	17,425	10,515	9,077
Other net (loss)/gain	(301)	(4,080)	110	(868)	900
Selling and marketing expenses	(69,252)	(63,759)	(40,853)	(29,906)	(32,528)
Administrative expenses	(66,619)	(78,046)	(60,924)	(42,715)	(56,906)
R&D expenses	(94,554)	(85,364)	(61,995)	(44,754)	(48,113)
Impairment loss recognized on property, plant and equipment	–	(7,086)	–	–	–
Impairment loss (recognized)/reversal on trade receivables and contract assets	(6,444)	(8,804)	(22,306)	(2,864)	1,148
Loss from operations	**(123,390)**	**(131,186)**	**(54,981)**	**(50,371)**	**(35,010)**
Net finance income	4,404	6,294	4,226	3,560	1,758
Changes in the carrying amount of the redemption liability	(89,949)	(116,489)	(126,166)	(93,530)	(100,655)
Loss before taxation	**(208,935)**	**(241,381)**	**(176,921)**	**(140,341)**	**(133,907)**
Income tax	(633)	(233)	(1,137)	(1,008)	(564)
Loss for the year/period	**(209,568)**	**(241,614)**	**(178,058)**	**(141,349)**	**(134,471)**
Other comprehensive income for the year/period (after tax):					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial statements of overseas subsidiaries	(4)	(8)	194	51	(240)
Total comprehensive income for the year/period	**(209,572)**	**(241,622)**	**(177,864)**	**(141,298)**	**(134,711)**
Attributable to:					
Equity shareholders of our Company	(209,342)	(241,723)	(168,764)	(135,375)	(135,245)
Non-controlling interests	(230)	101	(9,100)	(5,923)	534
Total comprehensive income for the year/period	**(209,572)**	**(241,622)**	**(177,864)**	**(141,298)**	**(134,711)**

Non-IFRS Measures

We define adjusted net loss (non-IFRS measure) as net loss for the year/period adjusted by adding back equity settled share-based payment expenses, changes in the carrying amount of the redemption liability and listing expenses.

To supplement our consolidated financial statements, we also use adjusted net loss (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure as an analytical tool has limitations, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. The following table reconciles our adjusted net loss (non-IFRS measure) for the years presented in accordance with IFRS, which is net loss for the year/period:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	**2023**	**2024**	**2024**	**2025**
			(RMB'000)		
				(unaudited)	
Loss for the year/period	**(209,568)**	**(241,614)**	**(178,058)**	**(141,349)**	**(134,471)**
Add:					
Equity settled share-based payment expenses[1]	3,019	2,327	1,441	1,387	4,571
Changes in the carrying amount of the redemption liability[2]	89,949	116,489	126,166	93,530	100,655
Listing expenses	–	–	–	–	15,490
Adjusted net loss (non-IFRS measure)	**(116,600)**	**(122,798)**	**(50,451)**	**(46,432)**	**(13,755)**

Notes:

(1) Equity settled share-based payment expenses are non-cash in nature.

(2) Changes in the carrying amount of the redemption liability represents the changes in the carrying amount of the redeemable special rights that we granted to certain Pre-IPO Investors. Such changes are non-cash in nature. Upon completion of the Global Offering, the financial liabilities will be re-designated from liabilities to equity as a result of the termination of such redeemable special rights of the Pre-IPO Investors.

Revenue

During the Track Record Period, we generated revenue from (i) sales of our robots and systems, including (a) single-function robot deployment, referring to projects centered on the delivery and deployment of our expanding portfolio of proprietary robots, typically for further system integration; and (b) multi-function comprehensive systems, mainly referring to projects where we design and deploy solutions using multiple robots and components, both proprietary and non-proprietary, typically as integrated turn-key systems; and (ii) after-sales service and others, mainly representing a range of post-warranty service packages we offered to our customers that complement our sales of robots and systems. Scale of our projects exhibits considerable variation commensurate with the diverse operational demands of our customers. The following table sets forth a breakdown of our revenue by product and service in absolute amounts and as percentages of total revenue for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						(unaudited)			
Revenue from sales of robots and systems	628,831	95.7%	539,771	98.0%	702,752	97.4%	330,710	96.1%	541,223	98.1%
– Single-function robot deployment	*113,478*	*17.3%*	*78,858*	*14.3%*	*132,710*	*18.4%*	*110,547*	*32.1%*	*136,724*	*24.8%*
– Multi-function comprehensive systems	*515,353*	*78.4%*	*460,913*	*83.7%*	*570,042*	*79.0%*	*220,163*	*64.0%*	*404,499*	*73.3%*
Revenue from after-sales service and others	28,093	4.3%	11,019	2.0%	18,665	2.6%	13,506	3.9%	10,414	1.9%
Total	**656,924**	**100.0%**	**550,790**	**100.0%**	**721,417**	**100.0%**	**344,216**	**100.0%**	**551,637**	**100.0%**

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin in absolute amounts and as percentages of revenue by product and service for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000, except for percentages)						(unaudited)			
Sales of robots and systems	98,794	15.7%	89,014	16.5%	101,521	14.4%	51,514	15.6%	89,443	16.5%
– Single-function robot deployment	*28,199*	*24.8%*	*24,640*	*31.2%*	*40,223*	*30.3%*	*31,000*	*28.0%*	*40,483*	*29.6%*
– Multi-function comprehensive systems	*70,595*	*13.7%*	*64,374*	*14.0%*	*61,298*	*10.8%*	*20,514*	*9.3%*	*48,960*	*12.1%*
After-sales service and others	4,634	16.5%	2,653	24.1%	12,041	64.5%	8,707	64.5%	1,969	18.9%
Total	**103,428**	**15.7%**	**91,667**	**16.6%**	**113,562**	**15.7%**	**60,221**	**17.5%**	**91,412**	**16.6%**

Loss for the Year/Period

Although we continued to record losses during the Track Record Period, we have been making progress in narrowing our losses. During the Track Record Period, we recorded loss from operations of approximately RMB123.4 million, RMB131.2 million, RMB55.0 million and RMB35.0 million in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively. Our loss from operations increased slightly from RMB123.4 million in 2022 to RMB131.2 million in 2023, primarily due to decrease in revenue resulting from delays of certain lithium battery-related projects which shifted recognition of revenue to future years. Such delays were attributable to these customers experiencing less client orders and less demand for production due to the broader industry slowdown, which in turn delayed conduct of various validation processes required for acceptance of our robots and systems. In 2024, our loss from operations improved significantly to RMB55.0 million, driven primarily by increase in revenue as well as operating cost optimization initiatives. This positive trend continued into 2025, with loss from operations decreasing from RMB50.4 million for the nine months ended September 30, 2024 to RMB35.0 million for the nine months ended September 30, 2025.

For the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, we had net losses of RMB209.6 million, RMB241.6 million, RMB178.1 million and RMB134.5 million, respectively. Apart from loss from operations discussed above, such losses were partially attributable to changes in carrying amount of the redeemable special rights that we granted to certain Pre-IPO Investors. Our adjusted net loss (non-IFRS measure) decreased from RMB116.6 million and RMB122.8 million in 2022 and 2023, to RMB50.5 million in 2024. The adjusted net loss (non-IFRS measure) decreased from RMB46.4 million for the nine months ended September 30, 2024 to RMB13.8 million for the nine months ended September 30, 2025. Please also refer to "Financial Information — Business Sustainability" for a discussion of our financial performance during the Track Record Period and our efforts to turn around our loss-making position.

Summary of 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'000)		
Total non-current assets	460,059	300,453	166,832	168,163
Total current assets	1,471,842	1,849,316	1,839,486	1,756,932
Total non-current liabilities	98,416	59,692	52,702	46,122
Total current liabilities	2,478,826	2,983,713	3,019,375	3,074,872
Net current liabilities	(1,006,984)	(1,134,397)	(1,179,889)	(1,317,940)
Total assets less current liabilities	(546,925)	(833,944)	(1,013,057)	(1,149,777)
Net liabilities	(645,341)	(893,636)	(1,065,759)	(1,195,899)

We recorded net liabilities of RMB645.3 million, RMB893.6 million, RMB1,065.8 million and RMB1,195.9 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. The increases in our net liabilities during the Track Record Period were primarily attributable to loss from operations of 2023 and 2024 and the nine months ended September 30, 2025 of RMB131.2 million, RMB55.0 million and RMB35.0 million and changes in the carrying amount of the redemption liability of RMB116.5 million, RMB126.2 million and RMB100.7 million, partially offset by equity settled share-based payment expenses of RMB2.3 million, RMB1.4 million and RMB4.6 million in 2023 and 2024 and the nine months ended September 30, 2025, respectively.

As of December 31, 2022, 2023 and 2024 and September 30, 2025, we recorded net current liabilities of approximately RMB1,007.0 million, RMB1,134.4 million, RMB1,179.9 million and RMB1,317.9 million, respectively. Our net current liabilities during the Track Record Period were primarily due to our redemption liabilities, which amounted to approximately RMB1,456.1 million, RMB1,572.6 million, RMB1,698.8 million and RMB1,799.4 million as of the same dates, respectively, as a result of changes in our redemption obligations arising from the special rights granted to certain Pre-IPO Investors. For details, see "Financial Information — Liquidity and Capital Resources — Net Current Liabilities."

We expect that we would be able to turn our net liabilities position into a net asset position when such special rights are terminated upon the Listing. In future, we believe that our net current liabilities position will improve with net cash inflows generated from operating activities with the growth of our business. We have implemented multiple methods to improve our net current liabilities position and ensure that we have sufficient working capital through: (i) accelerating accounts receivable turnover by strengthening full-cycle management of receivables, conducting regular aging analyses and implementing a specialized collection mechanism for overdue accounts, including incentivizing early payments through providing more favorable commercial terms in the future; (ii) optimizing inventory turnover by effectively managing the inventory of self-produced products to avoid long-aging raw materials and excess stock. This involves adjusting stocking strategies based on timely sales forecasts and market conditions, closely monitoring inventory aging in warehouses, and reinforcing accountability for newly-aged stock; and (iii) establishing a dedicated task force to identify the reasons underlying prolonged project delivery and drive targeted improvements. We have utilized information technology to record and monitor projects with unusual delivery delays, promptly resolving related issues to continuously enhance the overall supply chain delivery process and shorten delivery cycles.

Summary of the Consolidated Statements of Cash Flows

The following table sets forth the components of our consolidated statement of cash flows for the years/period indicated.

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
			(RMB'000)		
Net cash used in operating activities	(94,261)	(96,984)	(10,811)	(64,409)	(35,288)
Net cash (used in)/generated from investing activities	(112,388)	1,948	54,878	85,402	6,084
Net cash generated from/(used in) financing activities	331,849	3,982	(36,601)	(41,679)	12,035
Net increase/(decrease) in cash and cash equivalents	125,200	(91,054)	7,466	(20,686)	(17,169)
Cash and cash equivalents at January 1	68,878	194,466	104,758	104,758	111,191
Effect of foreign exchange rate changes	388	1,346	(1,033)	(2,179)	500
Cash and cash equivalents at December 31/September 30	**194,466**	**104,758**	**111,191**	**81,893**	**94,522**

In 2022, 2023 and 2024 and the nine months ended September 30, 2025, we had net cash used in operating activities of RMB94.3 million, RMB97.0 million, RMB10.8 million and RMB35.3 million, respectively, primarily relating to our operational costs including working capital requirements and ongoing R&D activities. While net operating cash outflow slightly increased from 2022 to 2023, it improved significantly in 2024, representing an 88.9% reduction from 2023. The substantial reduction in operating cash outflow in 2024 was primarily attributable to the completion of past projects, improved project execution efficiency, intensification of operation expenses optimization efforts, and enhanced working capital management. This positive trend continued into 2025, where our net operating cash outflow decreased significantly from RMB64.4 million to RMB35.3 million for the nine months ended September 30, 2024 and 2025, respectively. For details, see "Financial Information — Liquidity and Capital Resources — Cash Flows."

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates indicated.

	For the year ended/ As of December 31,			For the nine months ended/As of September 30,
	2022	2023	2024	2025
Gross profit margin(1)	15.7%	16.6%	15.7%	16.6%
Current ratio(2)	0.6	0.6	0.6	0.6
Quick ratio(3)	0.3	0.3	0.3	0.3

Notes:

(1) Gross profit margin is calculated by dividing gross profit by our revenue for the year/period indicated.

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

(3) Quick ratio equals current assets, excluding inventories, divided by current liabilities as of the same date.

BUSINESS SUSTAINABILITY

We have demonstrated strong operational performance and sustained growth throughout the Track Record Period. Our revenue grew from RMB656.9 million in 2022 to RMB721.4 million in 2024, with gross profit increasing from RMB103.4 million in 2022 to RMB113.6 million in 2024. Furthermore, our revenue achieved significant growth from RMB344.2 million for the nine months ended September 30, 2024 to RMB551.6 million for the same period in 2025, with gross profit increasing from RMB60.2 million to RMB91.4 million. As we continued to expand our customer base and effectively improved our operating efficiency, our loss for the year narrowed from RMB209.6 million and RMB241.6 million in 2022 and 2023, to RMB178.1 million in 2024. Our adjusted net loss (non-IFRS measure) decreased from RMB116.6 million and RMB122.8 million in 2022 and 2023, to RMB50.5 million in 2024. Loss for the period decreased from RMB141.3 million to RMB134.5 million for the nine months ended September 30, 2024 and 2025, respectively, and the adjusted net loss (non-IFRS measure) remained stable at RMB46.4 million and RMB13.8 million respectively.

While we have incurred losses during our growth phase, we believe we are well-positioned to achieve profitability through a combination of initiatives, including the following:

Expanding Revenue Scale

Our revenue grew from RMB656.9 million in 2022 to RMB721.4 million in 2024. Furthermore, our revenue achieved significant growth from RMB344.2 million for the nine months ended September 30, 2024 to RMB551.6 million for the same period in 2025. We expect to keep such momentum through the following measures: (i) capitalize on favorable market conditions to continuously grow our market share and business scale; (ii) acquire new customers through our comprehensive product offerings and flexible delivery models, and deepen our penetration in high-value industries and broaden our industry coverage; (iii) strengthen relationships with existing customers to scale with their expansion needs across new facilities and operational scenarios; (iv) product development and technology advancement to strengthen our competitive advantage and expand our addressable market; and (v) accelerate global market development to sustain our steady growth.

Improving Our Gross Margin

Our future profitability depends on our ability to improve our gross margin. Our gross profit margin amounted to 15.7%, 16.6%, 15.7%, 17.5% and 16.6% in 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. We expect to achieve our gross margin improvement by implementing the following: (i) introduce technologically advanced products to create significant value for customers, which in turn enhances our pricing flexibility and drives our margin growth; (ii) enhance supply chain management through cost management of materials, implementation, manufacturing and labor and enhanced inventory management and procurement practices; and (iii) business mix optimization through capturing an increasing proportion of higher-margin after-sales services and single-function robot deployments, and pursuing targeted expansion into overseas markets.

Enhancing Operation Leverage

Our operating expenses include R&D expenses, administrative expenses, and selling and marketing expenses to develop, manage and promote our robots and systems. We experienced a decline in R&D expenses from 2022 to 2024, primarily because several R&D projects progressed beyond the intensive development stages in 2022-2023, and moved into later-stage testing and incremental optimization, requiring fewer resources and lower ongoing expenditure. These included the development of our integrated box and pallet conveying solutions, covering conveying, transfer, alignment and lifting functions, as well as the development of semiconductor conveying solutions, including technologies such as cleanroom-compatible contactless power and precision wafer-box positioning. Fluctuation in R&D expenses during the Track Record Period reflected the progress and life-cycle of individual projects, rather than any change in our strategic focus on R&D. Going forward, we will continue to actively control our operating expenses through measures such as concentrating on strategic R&D projects and maintaining streamlined organizational structures while preserving core capabilities, as evidenced by our allocation of proceeds from the Global Offering in R&D activities. Based on our 2025 unaudited preliminary financial information, our R&D expenses for the full year of 2025 increased further compared to 2024. With our continued business growth, we expect to further streamline our operations, gain bargaining power and enhance our marketing and operating efficiency, thereby attaining greater operating leverage and realizing structural cost savings. As such, our operating expenses as a percentage of revenue will likely continue to decrease as our business expands.

For details, see “Financial Information — Business Sustainability.”

SUMMARY OF MATERIAL RISK FACTORS

Our business faces risks including those set out in the section headed “Risk Factors.” Some of the major risks that we face include: (i) we operate in a highly competitive and fast-evolving industry. Failing to maintain competitiveness could materially harm our business; (ii) developments in alternative technologies may adversely affect the competitiveness of our products and systems, and our failure to anticipate or respond effectively to technological evolution could harm our business; (iii) the growth of our business depends on our ability to successfully integrate and improve technologies; (iv) the commercialization of our intelligent intralogistics robots and systems may not meet expectations, as the standards of and applications for robotic and AI technologies are constantly evolving, which may lead to unsatisfactory market development and negatively affect our business operation; and (v) we cannot guarantee the successful implementation of our expansion into new industries and the development of new robots and systems. Any such failure could materially and adversely affect our business, future prospects and growth momentum.

OUR SHAREHOLDING STRUCTURE

Acting-in-Concert and Our Single Largest Group of Shareholders

As of the Latest Practicable Date, pursuant to a series of Concert Party Agreements, Dr. GU, together with the Pre-Listing Concert Parties, are able to exercise approximately 40.30% of the voting rights in the Company, and therefore constituted a group of controlling shareholders (as defined in the Listing Rules) of the Company. Pre-Listing Concert Parties include Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming, Jiaxing Gaile, Jointown Pharmaceutical and China Merchants Advanced Technology.

Upon the completion of the Listing, the Concert Party Agreements entered into by Dr. GU and each of Jointown Pharmaceutical and China Merchants Advanced Technology will terminate. The termination provisions were pre-agreed during the investment phase and set out in their respective Concert Party Agreements, primarily due to their internal policies regarding the investments in a publicly listed company. As a result, Dr. GU, together with his controlled entities (namely, Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi) and the remaining concert parties, are expected to control approximately 27.26% of the voting rights in the Company, immediately following the Global Offering and completion of the Listing, assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes. Therefore, Dr. GU, Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming, Jiaxing Gaile, Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi, will constitute the Single Largest Group of Shareholders upon Listing. For details, see “History, Development and Corporate Structure — Acting-in-Concert and Single Largest Group of Shareholders” and “Relationship with Our Single Largest Group of Shareholders.”

Pre-IPO Investors

Since the establishment of our Group, we have attracted a broad and diversified base of Pre-IPO Investors through equity financings and share transfers. For details of our Pre-IPO Investors and the principal terms of the Pre-IPO Investments, see "History, Development and Corporate Structure — Pre-IPO Investments."

Share Incentive Schemes

We adopted Restricted Share Incentive Scheme, 2019 Pre-IPO Share Option Scheme and 2021 Pre-IPO Share Option Scheme (together with 2019 Pre-IPO Share Option Scheme, the "**Pre-IPO Share Option Schemes**"). As of the Latest Practicable Date, 11,439,060 restricted Shares under the Restricted Share Incentive Scheme were granted and held through our Employee Incentive Platforms. As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding Share options granted under the Pre-IPO Share Option Schemes amounted to 8,846,696, representing approximately 2.07% of the issued Shares immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and no further Shares are issued under the Pre-IPO Share Option Schemes). Assuming full vesting and exercise of all outstanding Share options granted under the Pre-IPO Share Option Schemes, the shareholding of our Shareholders immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised), will be diluted by approximately 2.03%. For details, see "Appendix VI — Statutory and General Information — D. Share Incentive Schemes."

DIVIDENDS

No dividend has been paid or declared by our Company during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not have any dividend policy to declare or pay any dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including the successful commercialization of our products as well as our earnings, capital requirements, overall financial condition and contractual restrictions. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisors, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our 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.

OFFERING STATISTICS

	Based on an Offer Price of HK$16.40 per Share	Based on an Offer Price of HK$20.40 per Share
Market capitalization of our Shares(1)	HK$7,017 million	HK$8,729 million
Unaudited pro forma adjusted net tangible assets per Share(2)	HK$2.91	HK$3.25

Notes:

(1) The calculation of market capitalization is based on 427,883,729 Shares (comprising 36,798,000 H Shares to be issued under the Global Offering and 391,085,729 H Shares to be converted from Unlisted Shares) expected to be in issue immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes);

(2) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of our Company per Share is arrived at after adjustments referred to "APPENDIX IIA — Unaudited Pro Forma Financial Information" and on the basis that 427,883,729 Shares were in issue immediately following completion of the Global Offering, assuming that the Global Offering had been completed on September 30, 2025 and the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes.

For further details, please refer to "APPENDIX IIA — Unaudited Pro Forma Financial Information — A. Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets" to this document.

USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting commissions and other fees and expenses paid and payable by us in connection with the Global Offering, will be approximately HK$617.5 million, assuming an Offer Price of HK$18.40 per H Share (being the mid-point of the indicative range of the Offer Price of HK$16.40 to HK$20.40 per H Share), and that the Over-allotment Option is not exercised. We currently intend to use the net proceeds from the Global Offering for the purposes and in the amounts as set out below: (a) approximately 24.5% of the net proceeds, or HK$151.3 million, will be used for advancing our core robotics product lines (such as enhancing our existing products and developing new products); (b) approximately 20.5% of the net proceeds, or HK$126.6 million, will be used for R&D of our fundamental technologies (such as digital twin technology, large model technology and robotics technology incorporating AI techniques) and software capabilities development; (c) approximately 25.0% of the net proceeds, or HK$154.4 million, will be used for production capacity expansion and manufacturing capabilities enhancement (such as scaling up our manufacturing capacity and upgrading our production system); (d) approximately 20.0% of the net proceeds, or HK$123.5 million, will be used to execute our global market expansion strategy, which is crucial for establishing our international presence and capturing opportunities in key overseas markets; and (e) approximately 10.0% of the net proceeds, or HK$61.8 million, will be used for working capital and other general corporate purposes to support our daily operations and overall business growth. For further details, see "Future Plans and Use of Proceeds."

LISTING EXPENSES

The total listing expenses to be borne by us are estimated to be approximately RMB52.6 million (assuming an Offer Price of HK$18.40 per H Share, which is the mid-point of the indicative Offer Price range stated in this prospectus and assuming that the Over-allotment Option is not exercised), accounting for 8.8% of the gross proceeds from the Global Offering, of which (i) approximately RMB15.5 million as charged to our consolidated statements of profit or loss and other comprehensive income for the nine months ended September 30, 2025, (ii) approximately RMB13.3 million is expected to be charged to our consolidated statements of profit or loss and other comprehensive income after the Track Record Period, and (iii) approximately RMB23.8 million is directly attributable to the offering and listing of our Offer Shares and will be deducted from equity upon the Listing. By nature, our listing expenses are comprised of (i) underwriting commission of approximately RMB20.9 million, (ii) fees and expenses of accountants and legal advisers of approximately RMB20.3 million, and (iii) other fees and expenses of approximately RMB11.4 million. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

IMPACT OF COVID-19

On January 30, 2020, the World Health Organization (WHO) declared the outbreak of COVID-19 a public health emergency of international concern, followed by its classification as a global pandemic on March 11, 2020. Despite a resurgence of cases in various regions during 2022, we maintained stable operations with limited impact on our production, supply chain, and daily activities. As a result, the COVID-19 outbreak did not have material adverse impact on our operations and financial conditions during the Track Record Period and up to the Latest Practicable Date. As conditions have now largely normalized, we do not anticipate any material impact on our business operations or financial performance going forward.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the Listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including (i) any H Shares which may be issued pursuant to the exercise of the Over-allotment Option; (ii) the options granted under the Pre-IPO Share Option Schemes; and (iii) the H Shares to be converted from Unlisted Shares).

Our application is made on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (a) our revenue for the year ended December 31, 2024, being approximately RMB721.4 million, which exceeds HK$500 million as required by Rule 8.05(3) of the Listing Rules; and (b) our expected market capitalization based on the Offer Price at the time of Listing, which exceeds HK$4 billion as required by Rule 8.05(3) of the Listing Rules.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our business has continued to grow since the Track Record Period, which was driven by strong demand for our products and solutions. As of December 31, 2025, we have achieved an aggregate backlog value of robots and systems of approximately RMB2.2 billion, out of which 46 were ongoing overseas projects with an aggregate backlog of RMB685.0 million. We remain focused on enriching our robot portfolio, expanding our market presence and deepening customer relationships to drive sustainable growth in both domestic and international markets.

We recorded net losses and experienced net operating cash outflows during the Track Record Period, and we anticipate continuing this trend into 2026, primarily due to being in a growth phase with significant investments in research and development, market expansion, and new product development. Such losses are also attributable in part to non-recurring and non-cash items, including changes in carrying amount of our redeemable special rights that we granted to certain Pre-IPO Investors. Investors should note that the financial projections are based on our current expectations and preliminary internal estimates and are subject to inherent uncertainties, assumptions, and risks, many of which are beyond our control or are difficult to predict, including changes in global economic conditions, industry trends, customer demand, input costs, tariffs and trade restrictions, regulatory developments, and other factors outlined in the "Risk Factors" that may cause actual results to differ materially from those projected.

Our largest customer in 2024 was an Israel-based company. While the ongoing regional conflict involving Israel had caused some delays in acceptance testing, the project implementation for this customer continues to advance. As of the Latest Practicable Date, we continued to engage and make progress on development and planning work and deliverables according to the revised schedule. Based on the current status of the project and the information available to us, our Directors believe that the regional conflict has not, and is not expected to, result in any material disruption to the implementation of this project or to our overall business operations and financial performance. Israel remains one of the overseas markets where our Company has established customer relationships and continues to pursue business opportunities. While geopolitical tensions in the Middle East since late February 2026, including the evolving regional situation involving Iran, have heightened uncertainty in the region, we continued to engage with customers and advance project implementation in Israel in the ordinary course of business and such developments have not had any material impact on our customers or ongoing projects to date. We will continue to evaluate geopolitical risks as part of our broader risk management practices and take appropriate measures as necessary to mitigate potential adverse effects.

Our Directors confirm that there has been no material adverse change in our business, financial condition and results of operations since September 30, 2025, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report set out in Appendix I to this prospectus, and up to the date of this prospectus.

The unaudited financial information in respect of our consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended December 31, 2025 as set out in the "Appendix IIB — Unaudited Preliminary Financial Information for the Year Ended December 31, 2025" to this prospectus have been agreed by the Reporting Accountants to the amounts set out in our draft consolidated financial statements for the year ended December 31, 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 "**HKICPA**"). The work performed by the Reporting Accountants in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Reporting Accountants on the "Appendix IIB — Unaudited Preliminary Financial Information for the Year Ended December 31, 2025."

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

"Accountants' Report"	the accountants' report of our Company for the Track Record Period, as set out in Appendix I to this prospectus
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Anhui Galaxis"	Anhui Galaxis Technology Co., Ltd. (安徽凱樂仕科技有限公司), a limited liability company established under the laws of the PRC on March 1, 2022, and a wholly-owned subsidiary of our Company
"Articles of Association" or "Articles"	the articles of association of our Company adopted on June 4, 2025 which will become effective upon the Listing Date and as amended from time to time, a summary of which is set out in Appendix V to this prospectus
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Beijing Galaxis"	Beijing Galaxis Technology Co., Ltd. (北京凱樂仕科技有限公司), a limited liability company established under the laws of the PRC on August 10, 2018, and a subsidiary of our Company
"Board" or "Board of Directors"	the board of Directors of our Company
"Business Day" or "business day"	any 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"	has the meaning ascribed thereto under the Listing Rules, and unless the context requires otherwise, refers to the capital market intermediaries named in "Directors and Parties Involved in the Global Offering"
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China" or "PRC"	the People's Republic of China and for the purposes of this prospectus only, except where the context requires otherwise, excluding (a) Hong Kong, China, (b) the Macau Special Administrative Region, China, and (c) Taiwan, China
"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" or "our Company"	Zhejiang Galaxis Technology Group Co., Ltd. (浙江凱樂士科技集團股份有限公司), a limited liability company established in the PRC on October 20, 2016, and converted into a joint stock company with limited liability on July 13, 2021
"Company Law" or "PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"Compliance Advisor"	Guotai Junan Capital Limited
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Conversion of Unlisted Shares into H Shares"	the conversion of 391,085,729 Unlisted Shares into H Shares on a one-for-one basis upon the completion of Global Offering, filing of which has been completed with the CSRC on January 29, 2026
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"CSDC"	China Securities Depository and Clearing Co., Ltd. (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company, including all executive, non-executive and independent non-executive directors
"Dr. GU"	Dr. GU Chunguang (谷春光), our founder, chairperson of the Board, executive Director and chief executive officer, the spouse of Dr. YANG and a member of our Single Largest Group of Shareholders
"Dr. YANG"	Dr. YANG Yan (楊艷), our executive Director, the spouse of Dr. GU and a member of our Single Largest Group of Shareholders
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
"Employee Incentive Platforms"	Jiaxing Rongming, Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi
"ESG"	environmental, social and governance

"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FINI" or "Fast Interface for New Issuance"	an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a market research and consulting company and Independent Third Party, which prepared the Frost & Sullivan Report
"Frost & Sullivan Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this prospectus
"Galaxis HK"	GALAXIS TECHNOLOGY (HK) LIMITED, a limited liability company incorporated in Hong Kong on March 24, 2023, and a wholly-owned subsidiary of our Company
"Galaxis Wuxi"	Wuxi Galaxis Technology Co., Ltd (無錫凱樂士科技有限公司), a limited liability company established under the laws of the PRC on June 23, 2014, our predecessor and currently a wholly-owned subsidiary of our Company
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group," "our Group," "our," "we" or "us"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"Guangdong Galaxis Jiadi"	Guangdong Galaxis Jiadi Technology Co., Ltd. (廣東凱樂仕佳的科技有限公司), a limited liability company established under the laws of the PRC on December 31, 2021, and a subsidiary of the Company
"Guide for New Listing Applicants"	the Guide for New Listing Applicants as published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"H Share(s)"	listed ordinary share(s) in our share capital, with nominal value of RMB1.00 each, which are to be subscribed for and traded in HK dollars, and for which an application has been made for listing and permission to trade on the Stock Exchange

"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the 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"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong dollars," "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the H Shares offered by us for subscription pursuant to the Hong Kong Public Offering
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) on the terms and conditions described in this prospectus as further described in "Structure of the Global Offering — The Hong Kong Public Offering"
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting — Hong Kong Underwriters"
"Hong Kong Underwriting Agreement"	the underwriting agreement dated March 12, 2026 relating to the Hong Kong Public Offering entered into by our Company, Dr. GU, Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, the Joint Sponsors, the Sponsor-Overall Coordinators and the Hong Kong Underwriters, as further described in "Underwriting — Hong Kong Public Offering — Hong Kong Underwriting Agreement"
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hubei Galaxis Tongda Intelligent Equipment"	Hubei Galaxis Tongda Intelligent Equipment Co., Ltd. (湖北凱樂仕通達智能設備有限公司), a limited liability company established under the laws of the PRC on December 2, 2011, and a wholly-owned subsidiary of our Company

"Hubei Galaxis Tongda Technology"	Hubei Galaxis Tongda Technology Co., Ltd. (湖北凱樂仕通達科技有限公司), formerly known as Hubei Jiuzhou Tongda Technology Development Co., Ltd. (湖北九州通達科技開發有限公司), a limited liability company established under the laws of the PRC on January 16, 2009, and a wholly-owned subsidiary of our Company
"IASB"	International Accounting Standards Board
"IFRS"	the International Financial Reporting Standards as issued by the IASB, which comprise the IFRS Accounting Standards, International Accounting Standards, Interpretations developed by the IFRS Interpretations Committee or its predecessor body, the Standing Interpretations Committee
"Independent Third Party(ies)"	an individual or an entity which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules
"International Offer Shares"	the H Shares initially offered by our Company for subscription at the Offer Price pursuant to the International Offering together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option (subject to adjustment as described in "Structure of the Global Offering")
"International Offering"	the offer of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act, as further described in "Structure of the Global Offering — The International Offering"
"International Sanctions"	all applicable laws and regulation to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted administered and enforced by the U.S. Government, the EU and its member states, the United Kingdom, UN or Government of Australia
"International Underwriters"	the underwriters of the International Offering
"International Underwriting Agreement"	the underwriting agreement expected to be entered into on or about March 19, 2026 by, among other parties, our Company, the Joint Sponsors, the Sponsor-Overall Coordinators, and the International Underwriters, as further described in "Underwriting — International Offering — International Underwriting Agreement"
"Jiaxing Gaile"	Jiaxing Gaile Investment Co., Ltd. (嘉興蓋勒投資有限公司), a limited liability company established under the laws of the PRC on August 31, 2020, a member of our Single Largest Group of Shareholders
"Jiaxing Hexi"	Jiaxing Hexi Investment Partnership Enterprise (L.P.) (嘉興翮璽投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on June 22, 2020, a member of our Single Largest Group of Shareholders and one of our Employee Incentive Platforms

"Jiaxing Huige"	Jiaxing Huige Investment Partnership Enterprise (L.P.) (嘉興匯戈投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 22, 2018, and a member of our Single Largest Group of Shareholders
"Jiaxing Jiumai"	Jiaxing Jiumai Investment Co., Ltd. (嘉興九麥投資有限公司), a limited liability company established under the laws of the PRC on September 9, 2014, and a member of our Single Largest Group of Shareholders
"Jiaxing Rongming"	Jiaxing Rongming Investment Partnership Enterprise (L.P.) (嘉興融銘投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on July 24, 2018, a member of our Single Largest Group of Shareholders and one of our Employee Incentive Platforms
"Jiaxing Yuuxi"	Jiaxing Yuxi Investment Partnership Enterprise (L.P.) (嘉興羽璽投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on June 22, 2020, a member of our Single Largest Group of Shareholders and one of our Employee Incentive Platforms
"Jiaxing Yuxi"	Jiaxing Yuxi Investment Partnership Enterprise (L.P.) (嘉興昱璽投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on June 22, 2020, a member of our Single Largest Group of Shareholders and one of our Employee Incentive Platforms
"Joint Global Coordinators," "Joint Bookrunners" or "Joint Lead Managers"	the joint global coordinators, the joint bookrunners and the joint lead managers as named in "Directors and Parties Involved in the Global Offering"
"Joint Sponsors" and "Sponsor-Overall Coordinators"	the joint sponsors and the sponsor-overall coordinators as named in "Directors and Parties Involved in the Global Offering"
"Kunming Galaxis Logistics"	Kunming Galaxis Logistics Co., Ltd. (昆明凱樂仕物流有限公司), a limited liability company established under the laws of the PRC on September 3, 2018, and a wholly-owned subsidiary of our Company
"Labor Contract Law"	PRC Labor Contract Law (《中華人民共和國勞動合同法》), as amended, supplemented or otherwise modified from time to time
"Latest Practicable Date"	March 6, 2026, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication
"Listing"	the listing of our H Shares on the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date expected to be on or about Tuesday, March 24, 2026, on which dealings in our H Shares first commence on the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Offer Price"	the final price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) at which Offer Shares are to be subscribed for, to be determined in the manner further described in "Structure of the Global Offering — Pricing and Allocation"
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Sponsor-Overall Coordinators (for themselves and 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 5,519,600 additional H Shares, representing approximately 15% of the Offer Shares initially being offered under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any, further details of which are described in "Structure of the Global Offering — Stabilization"
"Overall Coordinators"	the overall coordinators as named in "Directors and Parties Involved in the Global Offering"
"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) released by the CSRC on February 17, 2023 and took effect on March 31, 2023
"PBOC"	the People's Bank of China (中國人民銀行)

"PRC Legal Advisors"	Lifeng Partners, the legal advisors to our Company as to PRC laws
"PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
"Pre-IPO Investment(s)"	the pre-IPO investment(s) in our Company undertaken by the Pre-IPO Investor(s), details of which are set out in "History, Development and Corporate Structure — Pre-IPO Investments"
"Pre-IPO Investor(s)"	the investor(s) of Pre-IPO Investment(s)
"Pre-IPO Share Option Schemes"	the pre-IPO share option schemes adopted by the Company in August 2019 and May 2021, both of which were further amended in June 2025 and the principal terms of which are set out in "Appendix VI — Statutory and General Information — D. Share Incentive Schemes"
"Price Determination Date"	the date on which the Offer Price is to be determined
"prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Restricted Share Incentive Scheme"	the restricted share incentive scheme adopted by our Company in August 2019 and further amended in June 2025, the principal terms of which are set out in "Appendix VI — Statutory and General Information — D. Share Incentive Schemes"
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"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 Galaxis"	Shanghai Galaxis Technology Co., Ltd. (上海凱樂士科技有限公司), a limited liability company established under the laws of the PRC on January 17, 2018, and a wholly-owned subsidiary of our Company
"Shanghai Galaxis Automation Technology"	Shanghai Galaxis Automation Technology Co., Ltd. (上海凱流自動化科技有限公司), a limited liability company established under the laws of the PRC on March 30, 2018, and a subsidiary of our Company
"Share(s)"	ordinary share(s) in our share capital, with a nominal value of RMB1.00 each, comprising Unlisted Shares (prior to the Listing) and H Shares (upon the Listing)
"Shareholder(s)"	holder(s) of our Share(s)
"Shenzhen Galaxis Jiechuangjia"	Shenzhen Galaxis Jiechuangjia Technology Co., Ltd. (深圳凱樂仕捷創佳科技有限公司), a limited liability company established under the laws of the PRC on December 16, 2020, and a subsidiary of our Company
"Shenzhen Galaxis New Energy"	Shenzhen Galaxis New Energy Technology Co., Ltd. (深圳凱樂仕新能源科技有限公司), a limited liability company established under the laws of the PRC on January 23, 2024, and a wholly-owned subsidiary of the Company
"Single Largest Group of Shareholders"	Dr. GU, Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming, Jiaxing Gaile, Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi
"STA"	the State Taxation Administration (中華人民共和國國家稅務總局)
"Stabilization Manager"	Guotai Junan Securities (Hong Kong) Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"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-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025

"U.S. dollars," "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States," "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"VAT"	value added tax
"**White Form eIPO**"	the application for the Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **White Form eIPO** Service Provider at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Zhejiang Galaxis International Trade"	Zhejiang Galaxis International Trade Co., Ltd. (浙江凱樂士國際貿易有限公司), a limited liability company established under the laws of the PRC on July 20, 2022, and a wholly-owned subsidiary of our Company
"Zhejiang Galaxis Semiconductor Equipment Technology"	Zhejiang Galaxis Semiconductor Equipment Technology Co., Ltd. (浙江凱樂士半導體裝備科技有限公司), a limited liability company established under the laws of the PRC on November 17, 2021, and a wholly-owned subsidiary of our Company
"%"	per cent

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

This glossary of technical terms contains definitions of certain terms used in this prospectus in connection with our Company and our business. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

"3C electronics"	collective term for three major categories of electronic products: computer, communication, and consumer electronics
"AGV"	automated guided vehicles, which are vehicles that follow predefined paths or markers to transport materials within a facility
"AI"	artificial intelligence
"AMR"	autonomous mobile robots, which are robots designed to navigate environments without human intervention using advanced sensors and algorithms
"CAGR"	compound annual growth rate
"CE"	Conformité Européenne, a regulatory standard that verifies certain products are safe for sale and use in the European Economic Area
"CSR"	conveying and sorting robots, which are robots used for handling various materials to achieve rapid and accurate sorting and conveying functions
"depth camera"	cameras that capture 3D information by measuring the distance between the camera and surrounding objects, enabling spatial awareness for robots
"embodied AI"	a form of AI that learns and makes decisions through physical interaction with its environment, integrating perception, decision-making and execution capabilities to operate autonomously in real-world settings
"Galaxis CI"	Galaxis Computation Intelligence, our computation intelligence platform that optimizes the scheduling and operational efficiency of robotic systems through sophisticated algorithms
"Galaxis CT"	Galaxis Control Technology, our control technology in adaptive motion control, remote data monitoring and debugging to ensure efficient and accurate order execution of robotic components and modules
"Galaxis low-code fusion development platform"	our custom-built platform for efficient and flexible software development, which enables efficient integration of multi-sensor data with minimal coding
"Galaxis PI"	Galaxis Perception Intelligence, our advanced sensing system integrating radar and vision technologies that enables our intelligent robots to perceive and understand environments, goods, and the physical world with precision
"goods-to-person"	process of automatically transporting goods to the operator through an automated system, reducing the walking and searching time of the operator and improving picking efficiency

"heavy pallet operations"	the handling of heavy pallets, each with a payload of up to 1.5 tons
"high-bay facility"	a structure designed to maximize vertical storage capacity in a single expansive space, with a clear height of up to 36 meters
"IMU"	inertial measurement unit, an electronic device that measures and reports a body's specific force, angular rate, and sometimes the orientation
"ISO"	the International Organization for Standardization, a worldwide federation of national standards bodies
"intralogistics"	the movement, storage, and management of materials and goods within a company's facility, such as a warehouse, distribution center, or manufacturing plant
"LiDAR"	light detection and ranging, a remote sensing method that uses light to measure the distance or range of objects
"lightweight tote handling"	the movement of lightweight containers or totes, each with a payload of up to 50 kilograms
"MSR"	multi-directional shuttle robots, a type of material handling robot designed to move in multiple directions within storage racks
"multi-story warehouse"	a structure with multiple operational stories designed for storage and logistics, typically featuring a clear height of approximately 3 to 7 meters per story
"QR code"	quick response code, a machine-readable optical label containing information about the item to which it is attached
"R&D"	research and development
"RCS"	robot control system, which is a software architecture that controls and coordinates the movements of robots
"SKU"	stock keeping unit
"SLAM"	simultaneous localization and mapping, a computational technique used by robots to build a map of an environment while simultaneously determining their location within it
"VFR"	very-narrow-aisle fork-type robots, which are fork-type robots capable of operating efficiently in very narrow aisles, suitable for high-density storage scenarios
"VNA AMR"	very-narrow-aisle autonomous mobile robots, a type of AMR specifically designed for warehouse environments with very narrow aisles, typically less than 1.8 meters in width
"WCS"	warehouse control system, which is a software architecture that controls and coordinates the operations of a warehouse
"WMS"	warehouse management system, which is a software architecture that manages the storage and movement of goods within a warehouse

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

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

These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. Risks and uncertainties that could affect the accuracy of forward-looking statements include market opportunities for our products; our ability to attract and retain senior management and key employees; our operations, business prospects, and strategies (including our ability to execute those strategies); industry trends and competition; general economic, political, and business conditions in the industries and markets in which we operate; applicable government policies and regulations affecting our industry, business, and corporate structure; our ability to maintain strong relationships with business partners; our ability to control costs and expenses; our ability to defend intellectual property and protect confidential information; our dividend policy; changes or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices, and overall market conditions; capital market developments; competitor actions and developments; changes in regulatory and operating conditions in our industry and markets; and the other risks and uncertainties described under "Risk Factors" in this prospectus, as well as statements in this prospectus that are not historical facts.

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

An investment in our H Shares involves various risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before deciding to invest 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 events could materially and adversely affect our business, results of operations, financial condition or prospects. In any such event, the market price of the Offer Shares could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, results of operations, financial condition or prospects. 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 the section headed "Forward-Looking Statements" in this prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We operate in a highly competitive and fast-evolving industry. Failing to maintain competitiveness could materially harm our business.

We continue to face intense competition in the intelligent intralogistics robotics industry, and expect the competition to increase as more companies enter the market and as our existing competitors continue to develop new technologies and launch new products and systems. We are in direct and active competition with numerous competitors of varying size, technical capability and financial strength, with respect to one or more of our product lines. According to Frost & Sullivan, it is estimated that the domestic intelligent intralogistics robotics market has over 50 suppliers of AMRs, and less than 50 suppliers each of MSRs and CSRs, many of which compete with us across one or more product categories. This competitive landscape may further intensify as global players seek to enter the market, whether through direct entry, strategic alliances, or acquisitions of local robotics technology companies. Increased competition could result in lower sales, price reductions, reduced margins, phase-out of government subsidies, greater competition for skilled engineering and AI talents, and loss of market share for us. Meanwhile, larger global automation players with broader resources may intensify competition in certain market segments. Further, we may be required to make substantial additional investments in research, development, marketing and sales, recruiting and retaining top robotics engineers and AI talents, and acquiring technologies complementary to, or necessary for, our current and future products and services in order to respond to such competition, and we cannot assure you that our efforts will be effective. If we fail to compete successfully, or if competing successfully requires us to take costly actions, our business, results of operations and financial condition could be adversely affected.

Developments in alternative technologies may adversely affect the competitiveness of our products and systems, and our failure to anticipate or respond effectively to technological evolution could harm our business.

The intelligent intralogistics robotics industry is characterized by rapid technological evolution. Alternative technologies or non-robotic solutions such as advanced automated storage and retrieval systems, high-speed conveyor and sorting technologies, automated guided vehicles using simpler navigation systems, human-machine collaborative tools such as augmented-reality or voice-assisted picking devices, fixed automation equipment, and software-based warehouse management or optimization platforms, may emerge as preferred choices for customers as industry adoption patterns continue to shift, influenced by evolving market demands, operational requirements, economic considerations, and technological advancements. For instance, emerging automated storage and retrieval systems developed on cloud-native architecture focus on software modularization and protocol integration, allowing rapid deployment in small and medium-sized enterprises and transformation scenarios without the need to invest in robotic hardware manufacturing or maintenance. Such asset-light, software-centric solutions could reduce customers' demand for integrated robotic systems like ours and thus may adversely affect the competitiveness of our products and solutions. Our success depends on our ability to anticipate new technologies, standards and practices, assess their market acceptance, and respond to these changes in a cost-effective and timely manner. If we fail to adapt effectively, fail to identify or properly assess emerging industry trends, or if our chosen technological direction diverges from industry development, our products and systems may become less competitive or obsolete, which could harm our business and adversely affect our revenues, profitability and market share.

The growth of our business depends on our ability to successfully integrate and improve technologies.

Our success in the intelligent intralogistics robotics industry requires sophisticated integration across multiple technical disciplines including robotics, AI algorithms, software architecture, and precision control mechanisms. The coordination of these technologies are inherently complex and subject to technical uncertainties, and our R&D efforts may be delayed, encounter technical difficulties or fail to achieve expected functionality, reliability or performance standards. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, we incurred R&D expenses of RMB94.6 million, RMB85.4 million, RMB62.0 million and RMB48.1 million, respectively, accounting for 14.4%, 15.5%, 8.6% and 8.7% of our total revenue of each respective year/period. While we continue to invest significant resources to enhance our products and systems, we cannot guarantee that these investments will lead to commercially successful products or translate into positive operating cash flow within an expected timeframe, or at all. Technical hurdles could require additional R&D resources, extend development cycles, and increase costs, which could adversely affect our business, results of operations, financial condition and competitive position.

The commercialization of our intelligent intralogistics robots and systems may not meet expectations, as the standards of and applications for robotic and AI technologies are constantly evolving, which may lead to unsatisfactory market performance and negatively affect our business operation.

As we aim to provide our intelligent intralogistics robots and systems to more customers across different sectors, we may face challenges brought by the uncertain demand, as customer acceptance depends, to a large extent, on their level of awareness of our offerings and the widespread use of similar robots and systems. We cannot assure you that the trend of adopting robotic and AI technologies by potential customers will continue in the future. Moreover, market expansion for intelligent intralogistics robots and systems depends on factors such as the growth in the application of robotics and AI in intralogistics applications, the prevalence of smart IoT devices, as well as the performance and perceived value of such products and systems. If the market does not achieve widespread acceptance, or if demand declines due to weakening economic conditions, reduced corporate spending, technical challenges, data security or privacy concerns, governmental regulation, competing technologies and products, our business, growth prospects and results of operations will be materially and adversely affected.

We cannot guarantee the successful implementation of our expansion into new industries and the development of new robots and systems. Any such failure could materially and adversely affect our business, future prospects and growth momentum.

We are committed to ensuring that our products and systems can be precisely targeted while maintaining flexibility for future expansion, positioning us as a strategic long-term partner for our customers, by supporting their automation initiatives from initial deployment to subsequent phases of business growth and operational expansion. We are planning to expand into chemicals, airports, home appliances industries, which represent emerging opportunities for the application of our products and systems. These sectors are characterized by different operational models, regulatory environments and customer requirements, and our entry into such new industries may therefore involve inherent challenges and risks. However, we cannot assure you that we will be able to successfully expand in the future. Expanding offering categories into new areas involves various risks and challenges. Our lack of familiarity with new industries may make it more difficult for us to keep pace with the evolving customer demands and preferences. In addition, there may be one or more existing market leaders in any vertical that we decide to expand into against whom we may have difficulty in competing. Expansion into any new vertical and development of new products and services may place significant strain on our management and resources and incur substantial R&D and other costs and expenses before generating any revenues, and failure to expand successfully could have a material adverse effect on our business and prospects.

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

We purchase certain raw materials, hardware components and shelving and other ancillary equipment for our intelligent intralogistics robots and systems. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, material costs accounted for 86.1%, 82.1%, 84.2% and 82.2% of our cost of sales, respectively. Prices of raw materials and components therefore have a significant impact on our cost of sales. The key components for those may be subject to price fluctuations or shortages. Any shortage in the intelligent intralogistics robotics industry and related sectors may lead to an increase in purchase price of components and raw materials in the supply of such key components and raw materials for our production process. Such events could have a material adverse effect on our ability to pursue our strategy, which could have a material adverse effect on our business and results of operations.

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

Our ability to meet the demand of our customers and grow our business relies on the efficient, proper and uninterrupted operation of our production plan and a constant and sufficient supply of utilities. In the event of earthquake, fire, drought, flood or other natural disaster, environmental incidents, power outages, fuel shortages, mechanical breakdowns, extended outage of critical utilities or transportation systems 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 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 meet our delivery obligations to our customers would be significantly disrupted and our relationships with our customers could be damaged, which could have a material and adverse effect on our business, results of operations and financial condition.

We may not be able to fully maintain quality control over our robots and systems, and any real or perceived material defects or errors in our robots and systems could harm our business operations.

The quality of our products and systems depends on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the quality and reliability of parts and components used, including those manufactured by ourselves and our manufacturing partners, the quality of our staff and relevant training programs and our ability to ensure that our employees adhere to our quality control and quality assurance protocols. We cannot assure you that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards, especially from the unanticipated quality variances created by fluctuations in supplier performance. Any significant failure or deterioration of our quality control and quality assurance protocols could render our products and systems unable to perform their regular functions, cause safety concerns that may result in physical injuries to individuals or harm our market reputation and relationship with business partners.

In addition, the quality of parts, components and raw materials manufactured by our suppliers that we incorporate into our products and systems is beyond our control. We depend on the quality control procedures of our suppliers. In the event of any quality issues, we could be subject to complaints and product liability claims and we may not be able to seek indemnification from them. If we engage in legal proceedings against our suppliers, such proceedings may be time-consuming and costly regardless of the outcomes. Any of the foregoing incidents may materially and adversely affect our business, results of operations and financial condition.

Our business is dependent on the strength and market acceptance of our brand and reputation. If we fail to maintain, promote and enhance our brand or reputation, our business and growth prospects may be adversely affected.

We believe our brand and reputation are an integral part of and critical to our success. Since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. We cannot assure you that our marketing efforts, such as industry exhibitions and advertising campaigns, are or will be successful or that we will be able to achieve the promotional effect we expect or at all. Negative publicity about our Company, Directors, employees, branding, or products or systems, whether warranted or not, may adversely affect our brand and reputation. Such negative publicity may come from malicious harassment or unfair competitive acts by third parties, which are beyond our control and could adversely affect our business and growth prospects.

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

We have established broad industry coverage with 29 industries covered as of September 30, 2025 and a distinguished customer base. However, there is also no assurance that we will be able to continuously attract new customers or retain existing customers to adopt our products and systems to drive our revenue growth. This depends on a number of factors including the level of acceptance by customers, the rate of expansion of use scenarios, and the changing customer preferences and demands. Our robotics portfolio may face challenges in maintaining performance reliability and precision control standards across increasingly complex operational environments, potentially impacting customer confidence in our core automation capabilities. Our software's ability to maintain real-time responsiveness and concurrent processing capabilities could be compromised as we scale to accommodate larger customer deployments and more sophisticated coordination requirements. Our implementation expertise may be strained by the growing complexity of customer-specific customizations and integration requirements, potentially affecting our ability to deliver products and systems within promised timeframes and maintain consistent service quality across diverse deployment scenarios. Furthermore, the provision of after-sales services constitutes an integral component of our customer engagement model, and deficiencies in service responsiveness or unresolved product performance issues may precipitate client dissatisfaction. Failure to address any of the foregoing or other similar challenges may result in customer attrition and difficulty attracting new customers.

We had a concentration of top five customers in each year/period during the Track Record Period.

The sales to our top five customers in each year/period during the Track Record Period amounted to RMB314.9 million, RMB273.7 million, RMB248.2 million and RMB150.5 million, respectively, representing 48.0%, 49.7%, 34.3% and 27.4% of our total revenue for the respective years/periods. Our customer concentration is a result of our strategic focus on serving industry-leading enterprises with complex operational needs, which enabled us to establish ourselves as a long-term strategic partner through large-scale project implementation. Taking into account our then available resources and our commitment to delivering high-quality intelligent intralogistics robots and systems that are cost effective, we prioritized deep engagement with these customers to maximize project success and generate recurring service opportunities. We cannot assure you that we will be able to maintain our business relationship with our existing customers or secure new contracts from them in the future, or there will not be any dispute between our major customers and us, which may adversely affect our business and profitability. In addition, should any of our major customers delay or default in making payments to us or at all, our cash flow and financial position would be adversely affected.

Any failure to provide maintenance and support services for our customers may harm our relationships with them and ultimately negatively affect our business.

We provide maintenance and support services as part of our contractual warranty obligations, which typically extend one to two years for our robots and systems. To ensure continuous support for our customers' operations, we also offer comprehensive after-sales services beyond the warranty period. We may not be able to recruit or retain sufficient qualified support personnel with experience in supporting customers of our robots and systems. As a result, we may be unable to respond quickly enough to accommodate spikes in customer demand for technical support or maintenance assistance. We may also be unable to modify the future scope and the delivery of our maintenance services and technical support to compete with changes in the technical services provided by our competitors. If we experience increased customer demand for support and maintenance, or are unable to provide efficient customer maintenance and support, our business may be harmed.

Our exchange, return and warranty policies may adversely affect our results of operations.

Customers have the right to return or reject the products with defects specified in the agreement by notifying us for prompt inspection, and if confirmed, such replacement or re-shipment expenses shall be borne by us. In addition, we typically provide a warranty period of one to two years for our products, along with timely support depending on the nature and urgency of any malfunction, except for product damage caused by misuse, unauthorized modifications or natural disasters. We may also be required by law to adopt new or amend existing return, exchange and warranty policies from time to time. We cannot assure you that our return, exchange and warranty policy will not be misused by our customers, which may significantly increase our costs and materially and adversely affect our business and financial condition. If we revise these policies to reduce our costs and expenses, our customers may be dissatisfied, which may result in loss of existing customers or failure to acquire new users at a desirable pace.

Our information technology systems, or those used by our partners or other contractors or consultants, may fail or suffer security breaches.

We rely on our information technology and software architecture to effectively manage various customers' and suppliers' data, production and operation data, and financial and human resources data. Any significant failure in our information technology and software architecture could result in transaction errors, processing inefficiencies and loss of sales and customers, or lead to loss or leakage of confidential information. We collect, store and use certain information of our customers, suppliers or other third parties such as basic contact details for our business needs. Any security and privacy breaches on customer information may damage our customer relations and our reputation and may expose us to legal liability. Our information technology and software architecture may be subject to damage or interruption, primarily due to unexpected emergency circumstances beyond our control, including power outages, systems failures, security breaches, unauthorized access, loss or corruption of data or other computer equipment and other similar events.

We may be unable to attract and retain our Directors, senior management and key individuals. Failing to do so would adversely affect our operations and growth.

Our success and future growth depend largely upon the continued services of our Directors, senior management and other key individuals, such as experienced and skilled research and development, product design, sales and marketing and production personnel. The loss of any of our key personnel could be detrimental to our operations. In the intelligent intralogistics robotics industry, experienced personnels are in high demand, and competition for relevant talents is intense. Many companies with which we compete for experienced personnel have greater resources than we have. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth could be adversely affected.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, product liability, environmental matters, breach of contract, employment or labor disputes and intellectual property rights. During these proceedings, the courts or tribunals may also impose preservation measures or other court-ordered remedies, including the freezing of bank deposits. Such measures could temporarily restrict our access to certain assets or bank accounts, which may affect our working capital management and business operations. Any claims, disputes or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Even if we are able to seek indemnity from them, they may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

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

We maintain industry-standard benefit plans in accordance with relevant laws and regulations, based on our assessment of our operational needs and industry practice. We maintain certain insurance policies to safeguard us against risks and unexpected events, including employer liability insurance and accident insurance, which we believe is in line with industry norms. We do not maintain any business interruption insurance or key man insurance. Our existing insurance coverage may prove inadequate or could cease to be available to us on acceptable terms, if at all. A claim brought against us that is uninsured or under-insured could harm our business, results of operations and financial condition. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We may be exposed to the risks of conducting business globally.

International markets are an important component of our growth strategy. We have explored and plan to continue exploring our overseas presence by pursuing market opportunities with demand for our products and systems and collaborating with reputable local partners to enhance global deployment. However, our international operations may expose us to operational risks that may materially and adversely affect our operations and financial performance, such as changes in political, economic and regulatory environments, longer payment cycles and collection challenges, adverse tax and foreign exchange impacts, geopolitical events and increased compliance and operating costs. For example, the conflict in the Middle East has escalated significantly since late February 2026, resulting in heightened military actions and increased regional tensions and market volatility. During the Track Record Period, a portion of our revenue was derived from customers located in Israel, where our largest customer in 2024 was based. In 2022, 2023, 2024 and the nine months ended September 30, 2025, our revenue from Israel amounted to RMB0.3 million, RMB15.6 million, RMB79.2 million and RMB14.1 million, respectively, accounting for 0.1%, 2.8%, 11.0%

and 2.6% of the total revenue for each respective year/period. The potential regional conflict may disrupt operations and project implementation and could result in delays in or negatively impact customer payments or future projects or future project revenue. While the impact to date has been limited, any escalation or continuation of conflict could materially and adversely affect our ability to secure new orders or recover receivables.

We may face various challenges in relation to our overseas expansion plans.

We plan to continue expanding our international presence and accelerate global market development across the Asia-Pacific, Southeast Asia, Middle East, Americas, Europe and Australia. Our ability to expand our global market depends on identifying suitable markets, recruiting and managing local personnel, and maintaining effective collaboration with regional integrators and business partners. More specifically, each target region has distinct social, economic and regulatory conditions that may affect the acceptance and implementation of our robotics and intelligent intralogistics solutions. As we progress into new markets, we may face challenges in localizing our operations, developing service and support infrastructure, and navigating varying technical and compliance standards, which could increase our operating costs and management workload. Furthermore, our overseas operations may be affected by geopolitical tensions, changes in trade policies, foreign exchange fluctuations and competition from local and international players with greater local presence. As a result, we cannot guarantee the successful execution of our overseas expansion plan, and any failure in doing so may materially affect our future prospects, business, results of operations and financial condition.

Changes in international trade policies and regulations, including imposition of trade restrictions and sanctions, and shifts in geopolitical dynamics could materially and adversely affect our business, financial condition and results of operations.

We serve customers across 19 countries and regions, exposing us to risks relating to international trade policies and regulations. In particular, during the Track Record Period, we had operations in Russia, a country that has been subject to expanding sanctions since February 2022. Our Russia-related revenue include (i) revenue generated by our Russian subsidiary and (ii) revenue generated from customers located in Russia. During 2022, 2023, 2024 and the nine months ended September 30, 2025, our Russia-related revenue represented approximately 0.7%, 0.2%, 1.9% and 0.1%, respectively, of our total revenue for each relevant year/period. See also "Business — Legal Proceeding and Compliance — Compliance Matters — Sanctions Risks, Trade Restrictions and Tariff Policies." Changes in trade policies, tariffs and other trade-related regulations could impact our market access and the demand and supply of our products and systems and their sales at competitive terms. These policies change from time to time and are subject to a high degree of uncertainty. Unfavorable developments in international trade, such as capital controls or tariffs, may affect the competitive position of our products and systems, our ability to hire research and development personnel, and the import or export of raw materials for product development and production. The implementation of new or expanded tariff regimes, including those recently proposed or enacted by the U.S. administration, may exacerbate existing trade tensions and disrupt global supply chains. Such policies could lead to retaliatory measures by affected trading partners, heightened currency volatility, and increased costs for imported raw materials, components, or finished goods. In 2022, 2023, 2024 and the nine months ended September 30, 2025, our revenue generated from sales to the U.S. was immaterial, amounting to less than RMB0.5 million in each period (including both direct and indirect sales) and accounting for less than 0.1% of our total revenue during the Track Record Period. With our ongoing overseas expansion, the introduction of new or expanded tariff regimes could increase costs or disrupt supply arrangements for the U.S. market, which may adversely affect our Company's sales, margins, or customer demand in that market.

Our operations are also subject to economic sanctions and export control regulations administered by various government authorities, including the U.S. Department of the Treasury's Office of Foreign Assets Control and the U.S. Department of Commerce's Bureau of Industry and

Security. Save for sales amounting to 1.0% of our total revenue in 2024 and procurement accounting for less than 0.01% of our total procurement in the nine months ended September 30, 2025, we had no transactions with entities subject to export control restrictions during the Track Record Period. These restrictions may affect our ability to acquire or sell technologies, systems, devices or components that may be critical to our business operations. In particular, recent years have seen increased export control restrictions on China through measures such as the U.S. Export Administration Regulations.

In addition, on October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment (the "**Final Rule**"), to implement the executive order of August 9, 2023, which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons (as defined in the Final Rule) 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) AI systems. U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in covered foreign persons, which are defined as "covered transactions," and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. The Final Rule and other rules and regulations regarding U.S. outbound investment may be subject to further development, which may introduce new hurdles and uncertainties for cross-border collaborations, investments and funding opportunities of China-based issuers, including us. For instance, on December 18, 2025, the U.S. Congress enacted the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**") as part of the FY 2026 National Defense Authorization Act. The COINS Act proposes to expand the Final Rule's sectoral coverage and geographic coverage. The Treasury has 450 days to amend the Final Rule to conform with the provisions set forth therein, and the existing Final Rule remain in effect until then. We cannot rule out the possibility of being deemed a Covered Foreign Person in the future due to different views taken by the U.S. Department of the Treasury, potential amendments to the Final Rule or the introduction of similar regulations. Such regulatory hurdles, combined with the continuing evolution of U.S. policies and regulations regarding outbound investments, could materially and adversely affect our ability to attract U.S. investors and raise capital.

Global financial market and economic conditions could affect our business, results of operations and financial condition.

Global economies could suffer dramatic downturns as the result of a deterioration in the credit markets and related financial crisis, as well as a variety of other factors, including inflation, recessions, fluctuations in currency exchange rates, overall economic weakness, extreme volatility in security prices, rating downgrades of certain investments and declining valuations of others. Adverse economic conditions may significantly impact our ability to raise capital, if needed, on a timely basis and on acceptable terms, and further affect our business, results of operations and financial condition.

We may be subject to natural disasters, health epidemics or other factors beyond our control.

Natural disasters, health epidemics or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under the threat of natural disasters, such as floods, earthquakes, sandstorms, snowstorms, fire or drought; the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika; and operational disruptions, such as power, water or fuel shortages, malfunction and breakdown of systems and infrastructures, as well as potential wars or terrorist attacks. The occurrence of a disaster, a prolonged outbreak of an epidemic illness or other adverse public health developments may also significantly affect our industry and may even cause a temporary closure of the facilities we or our business partners use for our operations. Our operations may be disrupted if any of our employees or those of our business partners have, or are suspected of having, any of the epidemic or pandemic illnesses. This could require us or them to quarantine some or all of such employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be materially reduced to the extent that such events harm the economic conditions in the regions where we operate or the global economy in general.

We may incur additional costs to address any ESG risks, which may adversely affect our financial performance.

Given the nature of our business, we do not produce any material generation of emissions and wastes and no heavy pollution. Nonetheless, we monitor a wide range of indicators such as power consumption, emission of greenhouse gas, water consumption and waste generation to manage our environmental and climate-related risks arising from our operations and are committed to providing adequate support to our employees to nurture a friendly and inspirational corporate culture. This commitment may entail incurring substantial additional costs and would potentially impact our profitability. See “Business — Environmental, Social and Governance” for details. In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs. Failure to adapt to new regulations or meet evolving industry expectations and standards could result in consumers choosing products from other companies.

Our projects are subject to delay risks, which may result in cost overruns, liquidated damages and margin pressure under fixed-price contracts.

A substantial portion of our revenue is derived from project-based contracts that are predominantly fixed-price in nature and involve customized design, system integration and on-site implementation. Such projects may be delayed due to technical complexity, supply chain constraints, customer coordination issues or other unforeseen circumstances. Where delays are attributable to us or our suppliers, we may incur additional costs or be subject to liquidated damages in accordance with contractual terms, which may not be fully recoverable and could adversely affect project margins. Even where delays are attributable to customers or external factors, prolonged implementation cycles may increase working capital requirements and affect cash flow. If such delays become significant or widespread, they could materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR FINANCIAL PROSPECTS

We incurred significant losses during the Track Record Period, and we may not be able to achieve or subsequently maintain profitability in the future.

In 2022, 2023 and 2024 and the nine months ended September 30, 2025, we had loss from operations of approximately RMB123.4 million, RMB131.2 million, RMB55.0 million and RMB35.0 million, respectively. We had losses for these years/period of approximately RMB209.6 million, RMB241.6 million, RMB178.1 million and RMB134.5 million, respectively. We may continue to incur net losses in the future, as we are in the stage of expanding our business and operations in the rapidly growing intelligent intralogistics robotics market, and are continuously investing in research and development. We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective commercialization strategies, compete effectively and successfully and develop new products and services. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. We also expect our costs and expenses to increase in future periods as we continue to expand our business and operations, and invest in research and development. In addition, we expect to incur substantial costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve or subsequently maintain profitability.

We had net liabilities, net current liabilities and net cash outflows from operating activities during the Track Record Period, which may continue into the foreseeable future and expose us to liquidity risk.

As of December 31, 2022, 2023 and 2024 and September 30, 2025, we had net liabilities of RMB645.3 million, RMB893.6 million, RMB1,065.8 million and RMB1,195.9 million, respectively, and we had net current liabilities of RMB1,007.0 million, RMB1,134.4 million, RMB1,179.9 million and RMB1,317.9 million, respectively, as of the same dates. A net liabilities position and net current liabilities position could require us to seek financing from external sources such as debt issuance and bank borrowings, which may not be available on terms favorably or commercially reasonable to us, or at all. See "— Risks Relating to Our Financial Prospects — We may not be able to obtain additional capital when desired, on favorable terms or at all."

In 2022, 2023 and 2024 and the nine months ended September 30, 2025, we had net cash used in operating activities of RMB94.3 million, RMB97.0 million, RMB10.8 million and RMB35.3 million, respectively, primarily relating to our operational costs including working capital requirements and ongoing R&D activities. We may continue to experience net cash outflows from our operating activities from time to time. Our forecast of the period through which our capital resources will support our operations is forward-looking and involves risks and uncertainties. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect. If we are unable to maintain adequate working capital or obtain sufficient financings to meet our capital needs, we may be unable to continue our operations according to our plan, default on our payment obligations and fail to meet our capital expenditure requirements.

Failure to manage our inventory effectively could materially and adversely affect our results of operations and financial condition.

As of December 31, 2022, 2023 and 2024 and September 30, 2025, we had inventories of RMB769.2 million, RMB1,062.4 million, RMB1,023.5 million and RMB889.3 million, respectively, and our inventory turnover days were recorded at 434 days, 728 days, 626 days and 561 days in 2022, 2023 and 2024 and the nine months ended September 30, 2025. During the Track Record Period, our inventories primarily included raw materials, work in progress and finished goods. Moreover, we may strategically raise our inventory level from time to time as we expand our product offerings or to weather the impact of rising manufacturing costs and tightening suppliers, which can cause potential liquidity constraints to our operating cash flow and expose us to greater risk of negative price fluctuations. If we fail to manage our inventory effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-downs or write-offs.

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

Our capital requirements will be subject to many factors, including: technological advancements in the industries in which we operate, market acceptance and sales of our products and systems, relationships with customers and suppliers, and general economic conditions, including inflation, rising interest rates, as well as international economic, regulatory, social and political conditions. If our capital requirements are materially different from those currently planned, we may need additional capital sooner than anticipated. If adequate funds are not available or are not available on acceptable terms, we may be unable to continue our operations as planned, develop or enhance our products and systems, expand our sales and marketing programs, take advantage of future opportunities, or respond to competitive pressures.

Our results of operations may be affected from period to period due to the seasonality of our business and fluctuations in our operating costs.

Our results of operations may be affected from period to period due to many factors, including seasonal demand patterns, industry supply chain dynamics, and customer production cycles. For example, our multi-function comprehensive systems customers tend to set annual budgets and place orders toward the second half of the calendar year, resulting in a higher volume of orders in the fourth quarter, with corresponding revenue typically recognized in the second half of the following year, after project completion and customer acceptance. As such, our operating and financial results for any interim period may not be representative of our annual performance. Our results of operations could also suffer if we do not achieve revenue consistent with our expectations for this seasonal demand because our expenses may be based on anticipated levels of annual revenue. Due to the foregoing factors, our results of operations and financial condition for future periods may continue to fluctuate and our historical periodical results may not be comparable to or indicative of future performance. 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.

If we determine our intangible assets to be impaired, it would adversely affect our business, financial performance and results of operations.

Our intangible assets, primarily including our software and patents, amounted to RMB8.9 million, RMB7.8 million, RMB9.6 million and RMB7.9 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. The value of other intangible assets is based on a number of assumptions made by the management. For a detailed discussion on intangible assets, see Note 13 to the Accountants' Report in Appendix I to this prospectus. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to have a significant write-off of our intangible assets and record a significant impairment loss. Furthermore, our determination on whether intangible assets are impaired requires an estimation of the carrying amount and recoverable amount of an intangible asset. If the carrying amount exceeds its recoverable amount, our intangible assets may be impaired.

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

We benefited from government grants and subsidies from local governments to support our operating and R&D activities, many of which are non-recurring in nature or are subject to periodic review. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, the government grants we recognized as other income amounted to RMB6.7 million, RMB18.9 million, RMB10.7 million and RMB4.1 million, respectively. As of December 31, 2022, 2023 and 2024 and September 30, 2025, the government grants we recognized as deferred income amounted to RMB13.4 million, RMB2.3 million, RMB5.5 million and RMB5.9 million, respectively. As these grants are provided at the discretion of the relevant government authorities, they may vary from period to period. In addition, our Company and certain of our subsidiaries enjoyed various types of preferential tax treatment according to the prevailing PRC tax laws, including a preferential income tax rate of 15% as qualified HNTEs. However, we cannot assure you that these preferential tax treatments will continue to be available to us in the future, or that these preferential tax treatments will not be subject to unfavorable updates in government policy, administrative decisions or otherwise. The authorities may also 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, results of operations, financial condition and prospects.

We are exposed to counterparty and credit risks arising from our customers' payment delays, defaults and payment arrangements. Impairment loss on trade receivables and contract assets could adversely affect our business, financial performance and results of operations.

As of December 31, 2022, 2023 and 2024 and September 30, 2025, our trade and other receivables amounted to approximately RMB365.8 million, RMB313.7 million, RMB299.7 million and RMB379.4 million, respectively, and our prepayments amounted to approximately RMB37.7 million, RMB85.2 million, RMB34.8 million and RMB50.3 million, respectively. Our trade and bills receivables turnover days amounted to 162 days, 181 days, 124 days and 131 days in 2022, 2023, 2024 and the nine months ended September 30, 2025. We may not be able to collect all such trade and other receivables and prepayments due to a variety of factors including adverse market conditions and deterioration in our customers' defaults, payment delays or payment arrangements, subjecting us to potential claims and disputes, as well as counterparty, credit or compliance risks.

During the Track Record Period, despite the impairment loss reversal on trade receivables and contract assets of RMB1.1 million recorded for the nine months ended September 30, 2025, we recognized impairment loss on trade receivables and contract assets of RMB6.4 million, RMB8.8 million and RMB22.3 million for the years ended December 31, 2022, 2023 and 2024, respectively, representing expected credit losses from our customers. The assessment of impairment losses involves a significant degree of management judgments as well as estimates in determining the key assumptions. Such management's estimates and the related assumptions have been made in accordance with information available to us, such estimates or assumptions are subject to further adjustment if new information becomes known.

We may be exposed to liquidity risks as a result of a long cash conversion cycle.

We had recorded relatively high inventory turnover days during the Track Record Period, which may cause delays in the conversion of our revenue into cash flows. Our cash conversion cycle, which is a metric to measure how efficiently we manage our working capital by tracking the number of days it takes to convert our investments in inventory and other resources into cash flows from sales was 354 days, 519 days, 412 days and 359 days for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively. The cash conversion cycle is calculated based on the sum of average inventory turnover days and average trade and bills receivables turnover days, less average trade and bills payables turnover days. The prolonged cash conversion cycle was primarily attributable to extended lead times from suppliers and variability in customer payment behaviors, sided with influence of fluctuations of specific industries. A long cash conversion cycle may increase our reliance on working capital and/or external financing to support our operations and future growth. If we are unable to manage our inventory levels efficiently or to secure adequate financing on acceptable terms, our liquidity position may be negatively impacted.

Fluctuations in exchange rates could result in foreign currency exchange losses.

The value of RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in foreign currency. There are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. We are also currently required to complete filings with and obtain approvals from the SAFE before converting significant sums of foreign currencies into Renminbi. All of these factors could affect our business, results of operations, financial condition and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

Share-based payments may have a material and adverse effect on our financial performance and cause shareholding dilution to our Shareholders.

We adopted share incentive schemes for the purpose of granting share-based compensation awards to members of the executive committee, middle and senior-level management, key employees, and other individuals deemed appropriate by the Board in August 2019 and May 2021. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, we incurred RMB3.0 million, RMB2.3 million, RMB1.4 million and RMB4.6 million of equity settled share-based payments expenses relating to incentives granted under our share incentive schemes, respectively. Our share-based payment expenses may increase as we continue to grant such awards, which may affect our results of operations and financial condition. Any re-evaluation of vesting schedules, lock-up periods, exercise prices, or other key terms under our employee incentive plan could result in substantial changes in our share-based payments in the reporting periods following the Global Offering.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY

We may be involved in legal proceedings and disputes to protect or enforce our intellectual property rights, which could be expensive, time-consuming and unsuccessful.

Our intellectual property rights may be infringed or misappropriated by competitors, and any litigation we pursue to enforce such rights could be expensive, time-consuming, and may provoke counterclaims against us. Given that many competitors have substantially greater resources to enforce or defend their intellectual property rights, we may ultimately be unable to prevent third-party infringement, and an adverse outcome in any such proceeding could result in our patents being invalidated, held unenforceable, or interpreted narrowly, materially affecting our business. Even where infringement is established, recovery may be limited if the infringing party's enforceable assets are insufficient. Additionally, confidential information could be compromised through discovery in the course of litigation, and third parties may separately challenge the validity or enforceability of our patents before administrative bodies in China or overseas, potentially resulting in revocation or amendment of our patents. Any weakening of our intellectual property protection could dissuade potential partners from collaborating with us and have a material adverse impact on our products and 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 the products and systems involved.

The industry in which we operate involves a large number of patents, and we cannot assure that our business activities do not and will not infringe, misappropriate, or otherwise violate the intellectual property or proprietary rights of third parties. If any of our products or systems is found to infringe a valid and enforceable patent, or if we seek to avoid potential intellectual property disputes, we may be required to obtain licenses, which may not be available on commercially reasonable terms or at all, pay substantial royalties or redesign or discontinue our products or systems, any of which may be costly and time-consuming. We may also face indemnification claims from our customers, business partners, or third parties if they face infringement allegations related to their use of our products or systems. Third parties, including non-practicing entities that focus on patent monetization, may assert infringement claims against us regardless of merit, and our exposure to such claims may increase as we continue to expand our product offerings and integrate new technologies. Even where such claims are ultimately unsuccessful, they could divert management's attention, consume significant financial resources, and adversely affect our business relationships, reputation, and overall operations.

If we are unable to obtain and maintain adequate patent and other intellectual property protection, or if the scope of such rights is not sufficiently broad, third parties could develop products similar or identical to ours and compete directly against us.

Our success depends on our ability to protect our proprietary technology through patents, trade secrets, and other intellectual property rights. As of the Latest Practicable Date, we held 358 registered patents, 108 trademarks, 181 software copyrights, 2 copyrights of works and 7 domain names in China. As of the same date, we also held 21 registered patents and 16 trademarks overseas. However, obtaining and maintaining this protection may be expensive and time-consuming, and we may fail to file all necessary or desirable applications in all jurisdictions, identify patentable aspects of our R&D in time, or detect and respond to third-party infringement promptly. Even where patents are granted there can be no assurance they will provide meaningful protection as third parties may challenge their validity, enforceability, or scope, which may result in the patent claims being narrowed or invalidated, or that we will obtain sufficient claim scope in those patents to prevent a third party from competing successfully with our products. Our competitors may also be able to circumvent our patent issuance by developing similar or alternative technologies or products in a non-infringing manner, especially where our patent protection is absent or weaker. Enforcing our rights across foreign jurisdictions could be prohibitively expensive, divert management attention, and expose us to counterclaims, and we may ultimately be unable to prevent third parties from practicing our inventions or competing with our products in certain markets.

Amendments in patent law could diminish the value of patents in general, thereby impairing our ability to protect our products and systems.

The scope and enforceability of patent protection in various jurisdictions is uncertain. Changes in patent laws or their interpretation in China or elsewhere may diminish our ability to protect our inventions, 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 rights. We cannot predict whether the patent applications we are currently pursuing and may pursue in the future will be issued as patents in any particular jurisdiction or whether the claims of any future granted patents will provide sufficient protection from competitors. The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance.

If our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our target markets and our business may be adversely affected.

Our registered and unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. Competitors may adopt trade names or trademarks similar to ours, leading to market confusion, impairing our ability to build brand recognition, while third parties may bring infringement claims against us based on variations of our marks. If we are unable to establish name recognition based on our trademarks and trade names, our ability to compete effectively may be adversely affected.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

We rely on trade secrets, confidential know-how and other proprietary information to maintain our competitive position. We seek to protect such information by entering into non-disclosure, confidentiality and similar agreements with parties that have access to them. However, any party with access to such information may breach these agreements, and we cannot guarantee that all relevant parties have executed them. Competitors may independently discover or develop our trade secrets, and enforcing claims against those who misappropriate or unlawfully disclose such information can be difficult, expensive, and unpredictable in outcome, and any such breach or unauthorized disclosure could materially affect our business and results of operations. In addition, while our employment agreements generally stipulate that any inventions or other intellectual property created during the course of employment shall belong to our Company, we may be unsuccessful in executing such clauses with each party who in fact develops intellectual property that we regard as our own, which may result in claims by or against us related to the ownership of such intellectual property. Any litigation arising from such claims could be costly and distracting to management, and an adverse outcome could result in the loss of valuable intellectual property rights.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTION WHERE WE OPERATE

Our products will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expenses.

Our products require certifications that may restrict their use to specific environments. Technical specifications and promotional claims must strictly match certified performance such as load capacity and sorting accuracy. Deviations could trigger regulatory penalties, operational shutdowns, or recalls, disrupting client operations and damaging trust. The approvals we obtain may also be subject to other conditions which may require potentially costly post-marketing testing and surveillance to monitor the safety and efficacy of our products. We also cannot predict the nature or extent of future regulatory changes in China or overseas, and if we are slow or fail to adapt to new or updated requirements, we risk losing existing approvals and may be unable to achieve or sustain profitability.

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

We are required to obtain and maintain various approvals, permits, licenses and certificates from regulatory authorities for our business operations, including those relating to our production facilities, land use rights and general corporate operations. The intelligent intralogistics robotics industry and the various industries of our clients to whom we provide our products and systems are subject to the regulatory oversight of a number of governmental authorities. Obtaining, renewing or maintaining the necessary permits, licenses and certificates required for our business could lead to considerable time and financial costs, which could have a material adverse effect on our business, financial condition and operating results. The adoption of any new laws and regulations or any update to regulatory environment, may restrain our ability to expand our business. Furthermore, as we develop and expand our business, we may need to obtain additional permits and licenses.

Evolving in political and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may affect our business, results of operations, financial condition and prospects.

A major part of our revenue is derived from our businesses in the PRC, and our results of operations, financial condition and prospects are therefore materially subject to economic and legal developments in the PRC, including government spending and favorable policies in our industry. The PRC government has implemented various economic reform measures that may be adjusted across industries or regions, and there is no assurance that policies supportive of our business will continue or remain unchanged, any of which could have a material adverse impact on our business, results of operations, and financial condition.

The Labor Contract Law, any labor shortages, increased labor costs or other factors affecting our labor force may adversely affect our business, profitability and reputation.

Pursuant to the PRC Labor Contract Law and its implementation rules, which took effect in September 2008, employers are subject to strict requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. Compliance with the Labor Contract Law and its implementation rules may increase our operating expenses, and limit our ability to effect personnel changes in a cost-effective manner. As China's economy continues to grow, the average wages in China are also expected to increase and if we are unable to pass on these costs to our customers, our profit margin and results of operations may be materially and adversely affected.

You may experience difficulties in effecting service of process upon or enforcing foreign judgments against us or our management.

Substantially all of our business, operations, Directors, officers, and their assets are located in China. It may be difficult for investors to effect service of process upon those persons residing in China or to enforce against us or them in China any judgments obtained from non-PRC courts, as such judgments are only recognized where a reciprocal treaty exists or reciprocity requirements are otherwise satisfied. Under the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) signed in 2006 between the Supreme People's Court and the Hong Kong SAR Government, recognition and enforcement of judgments between Hong Kong and PRC courts was only available where parties had expressly agreed in writing to a choice of court. The Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between the Courts of the Mainland and 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》), which became effective on January 29, 2024, broadens this scope by allowing courts to apply jurisdiction in accordance with certain rules without requiring such written agreement, and permits any party to apply to the relevant PRC or Hong Kong court for recognition and enforcement of civil and commercial judgments subject to the conditions set forth therein. Nonetheless, the outcome of any action brought under this arrangement remains uncertain, and we cannot assure investors that a qualifying judgment will be successfully recognized and enforced in a PRC court.

We are subject to PRC tax laws and regulations and holders of our H Shares may be subject to PRC taxation.

As a PRC-incorporated company, under applicable PRC tax laws, we are subject to a tax of up to 25% on our global income. Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) with respect to PRC source income or gains at a rate of 20%. We are required to withhold related tax from dividend payments paid to non-PRC resident individuals, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. Currently, these are exempted pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) and the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from Transfer of Shares issued by the MOF and the SAT (《財政部國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》). However, the PRC government has indicated its intention to cease foreign individuals' tax exemption, and non-resident individual holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and bonuses realized from the H Shares.

Non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises, are subject to PRC EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies, which we are required to withhold at source, subject to reduction or elimination under applicable tax treaties. There remains uncertainty as to the interpretation and application of the relevant PRC tax laws by the PRC tax authorities, including whether and how individual income tax or EIT Law tax on gains derived by holders of our H Shares from their disposition of our H Shares may be collected, and any such collection could materially and adversely affect the value of our H Shares.

We face certain risks relating to our leased properties, which may disrupt our operations and relocation costs.

We leased certain properties in China as our offices, warehouses, R&D centers and production facilities. Pursuant to applicable PRC laws and regulations, all lease agreements are required to be registered with the local land and real estate administration bureau. As of the Latest Practicable Date, thirteen of our leased properties in China had not been registered with the relevant PRC government authorities.We cannot assure you that we would not be subject to any penalties and/or requests from local authorities to fulfill the registration requirements. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

In addition, for some of our leased properties, as of the Latest Practicable Date, lessors of four of our leased properties in China have not provided us with the valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us. If these lessors are not the rightful owners of the properties or have not obtained proper authorization from the actual owners, our leases could be challenged by third parties and subsequently invalidated or terminated. Furthermore, the actual use of a number of our leased properties does not fit into the prescribed scope of use shown on the relevant title certificates. Relevant government authorities may require lessors to rectify such usage defects, and we may be required to vacate these properties. Any such developments would require us to seek alternative premises and incur substantial relocation costs. While we may seek damages from such lessors, the leases may be deemed void and any relocation could cause significant disruptions to our operations. These disruptions and additional costs could adversely affect our business, financial conditions and results of operations.

We may be subject to additional social insurance fund and housing provident fund contributions and late fees or fines imposed by relevant regulatory authorities.

PRC laws and regulations require us to participate in the employee social welfare plan administered by local governments covering pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund, calculated based on employee income within nationally and locally prescribed limits. During the Track Record Period, we did not pay social insurance and housing provident fund in full for certain of our employees. In addition, during the Track Record Period we engaged third-party service providers to pay social insurance and housing provident fund for some of our employees primarily because we accommodated their preferences for participating in social insurance and housing provident fund schemes in their respective place of residency.

According to the relevant PRC laws and regulations, we may be requested by relevant government authorities to pay the outstanding social insurance contributions within a prescribed period and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay. If we fail to repay the outstanding social insurance contributions within the stipulated period, we may be liable to a fine of one to three times the outstanding contribution amount. In addition, Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases, which became effective on 1 September 2025, provides that any agreement between an employer and an employee, or any undertaking by the employee, purporting to waive statutory social insurance contributions shall be deemed void by the People's Court. If we are deemed to be in violation of any such labor laws and regulations, we could be subject to requirements to make up for the outstanding contribution amounts, as well as being liable for late payment surcharges or other fees. The total potential financial exposure, including contributions for housing provident fund, social insurance, and any applicable late fees, resulting from our shortfall in payment during the Track Record Period is estimated to be approximately RMB25.5 million.

RISKS RELATING TO THE GLOBAL OFFERING

No public market currently exists for our H Shares. An active trading market for our H Shares may not develop, and the market price and trading volume of our H Shares may be volatile.

Prior to the completion of the Global Offering, there has been no public market for our H Shares. There can be no guarantee that an active trading market for our H Shares will develop or be sustained after completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our H Shares will be traded following completion of the Global Offering. The Listing 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 the H Shares will not decline following the Global Offering. The trading price and trading volume of our H Shares may be volatile in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere. The trading performance of other China-based companies listed in Hong Kong may affect the overall investor sentiment towards China-based issuers and consequently may impact the trading performance of our H Shares regardless of our actual operating performance. In addition, company-specific factors such as variations in our revenue, earnings and cash flow could cause large and sudden changes in the trading price and volume of our H Shares.

Our Single Largest Group of Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

Our Single Largest Group of Shareholders have substantial influence over our business, including key corporate decisions and governance matters. Immediately after completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes, our Single Largest Group of Shareholders will hold (including direct and indirect shareholdings) approximately 27.26% of the issued share capital in our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their H Shares as part of a sale of our Company and might reduce the price of our H Shares. We cannot assure you that our Single Largest Group of Shareholders will not exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of other Shareholders.

Future sales, perceived sales or conversion of significant amounts of our H Shares in the public market following the Global Offering could materially and adversely affect the price of our H Shares.

Prior to the Global Offering, there has not been a public market for our H Shares. Future sales or perceived sales of significant amounts of our H Shares or conversion of the Unlisted Shares, if any, by specific Shareholders subject to certain regulatory requirements, after the Global Offering could result in a significant decrease in the prevailing market price of our H Shares. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our H Shares in the public market or the perception that these sales, or conversion of existing Unlisted Shares, if any, may occur could significantly decrease the prevailing market price of our H Shares and our ability to raise equity capital in the future.

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

The Offer Price of the H Shares is higher than the net tangible asset value per H Share immediately prior to the Global Offering. Therefore, purchasers of the H Shares in the Global Offering will experience an immediate dilution. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the H Shares may experience dilution if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Shares through the Employee Incentive Platforms, which would further dilute Shareholders' interests in our Company.

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

No dividend has been paid or declared by our Company during the Track Record Period. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and requires approval at our Shareholders' meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

Certain statistics contained in this prospectus are derived from publicly available official government sources.

This prospectus, particularly the section headed "Industry Overview," contains information and statistics relating to the industry in which we operate. Such information and statistics have been derived from various official government sources. The information and statistics from such sources have not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, and other Capital Market Intermediaries, any of our or their respective directors, officers or representatives or any other party, other than Frost & Sullivan, involved in the Global Offering and no representation is given as to its accuracy. In any event, you should consider carefully the importance placed on such information or statistics.

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 securities or industry analysts publish about us or our business. If one or more analysts decide to downgrade their rating of 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. Additionally, if one or more of these analysts cease coverage of us or fail 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.

You should read the entire prospectus carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the Global Offering.

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

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and certificates of exemption from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

MANAGEMENT PRESENCE IN HONG KONG

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

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

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

(i) both of our Company's authorized representatives, Dr. GU Chunguang (谷春光) ("**Dr. GU**"), our founder, chairperson of the Board, executive Director and chief executive officer, and Mr. WONG Chun Wing Samuel (黃俊穎) ("**Mr. WONG**"), one of our joint company secretaries, will act as our Company's principal channels of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone, and/or email to promptly deal with enquiries from the Stock Exchange;

(ii) each of the authorized representatives of our Company has means of contacting all Directors promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;

(iii) each Director has provided their mobile phone number, office phone number, fax number (if any) and e-mail address to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, they will provide the phone number of the place of their accommodation to the authorized representatives;

(iv) each of our Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time; and

(v) we have appointed Guotai Junan Capital Limited as our Compliance Advisor, in compliance with Rule 3A.19 of the Listing Rules, who will also act as an additional channel of communication with the Stock Exchange from the Listing Date to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the Listing Date. We shall ensure that there are adequate and efficient means of communication among our

Company, our authorized representatives, our Directors, and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between us and the Stock Exchange.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable: (i) a member of The Hong Kong Chartered Governance Institute; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

Note 2 to Rule 3.28 of the Listing Rules further sets out that in assessing "relevant experience", the Stock Exchange will consider the individual's: (i) length of employment with the issuer and other listed companies and the roles he/she played, (ii) 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, (iii) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than 15 hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules, and (iv) professional qualifications in other jurisdictions.

Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include: (i) whether the issuer has principal business activities primarily outside Hong Kong; (ii) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and (iii) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Mr. SONG Yao (宋垚) ("**Mr. SONG**") as our joint company secretary. The Board considers this appointment necessary and in the best interests of our Company for the following reasons: (a) our Group's principal business activities and senior management are based outside Hong Kong. Appointing a senior executive closely integrated with our core operations is critical to ensuring effective corporate governance and decision-making; and (b) while Mr. SONG joined the Group in January 2025, the Board believes his extensive background establishes his qualifications and mitigates any concerns related to his recent tenure. His past career experiences in audit with KPMG and in investment banking with firms including GF Securities Co., Ltd., equipped him with highly relevant expertise in financial reporting, internal controls, and capital markets compliance. After joining our Group, Mr. SONG has rapidly gained familiarity with our day-to-day operations and has performed well, while also providing the Board with valuable insights and support in enhancing the Company's corporate governance.

Since Mr. SONG does not possess the qualifications stipulated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under the Listing Rules. To support Mr. SONG in performing the duties of company secretary, we have appointed Mr. WONG, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom who meets the requirements under Rule 3.28 of the Listing Rules, as a joint company secretary to provide assistance for a three-year period from the Listing so as to enable Mr. SONG to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules to duly discharge his duties.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. SONG as our joint company secretary. Pursuant to the Chapter 3.10 of the Guide for New Listing Applicants, such waiver has been granted on the conditions that:

(i) Mr. WONG is appointed as a joint company secretary to assist Mr. SONG in discharging his functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules;

(ii) our Company will further ensure that Mr. SONG has access to the relevant training and support to enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of an issuer listed on the Stock Exchange. Our Company's Hong Kong legal advisor has provided training to Mr. SONG on the principal requirements of the Listing Rules and the Hong Kong laws and regulations applicable to our Company after its Listing. In addition, Mr. SONG will endeavor to familiarize himself with the Listing Rules, including any updates thereto, during the three-year period from the Listing Date;

(iii) Mr. SONG has confirmed that he will attend no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investor relations as well as the functions and duties of a company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules;

(iv) before the expiry of Mr. SONG's initial term of appointment as the company secretary of our Company, our Company will evaluate his experience in order to determine if he has acquired the qualifications required under Rule 3.28 of the Listing Rules; and

(v) this waiver will be revoked immediately if and when Mr. WONG ceases to provide such assistance during the three-year period, and we undertake to re-apply to the Stock Exchange for a waiver in the event that Mr. WONG ceases to meet the requirements under Rule 3.28 of the Listing Rules or otherwise ceases to serve as a joint company secretary of our Company. In addition, this waiver is subject to revocation in the event of any material breaches of the Listing Rules by our Company.

Prior to the end of the three-year period, we will demonstrate and seek the confirmation from the Stock Exchange that Mr. SONG, having had the benefit of Mr. WONG's assistance during the three years, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of our company secretary so that a further waiver would not be necessary.

For further information regarding the qualifications of Mr. SONG and Mr. WONG, see "Directors and Senior Management."

DISCLOSURE REQUIREMENTS IN RESPECT OF OUTSTANDING OPTIONS

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

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

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

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

Paragraph 6 of Chapter 3.6 of the Listing Guide provides that in general, the Stock Exchange would grant waivers from disclosing the names and addresses of certain grantees in the listing document. Paragraph 7 of Chapter 3.6 of the Listing Guide further provides that a waiver from the Share Incentive Disclosure Requirements is at least subject to the following conditions (the "**Waiver Conditions**"):

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

(ii) disclosing the following in this prospectus: (a) for each of the grantees who is (1) a director, (2) a member of the senior management, or (3) a connected person, all the particulars required under the Share Incentive Disclosure Requirements; (b) for the remaining grantees, on an aggregate basis, (1) the aggregate number of grantees and the number of shares underlying the options; (2) the exercise period of each option; (3) the consideration paid for the options; and (4) the exercise price of the options; and (c) (1) the aggregate number of underlying Shares required to be issued to satisfy the options; (2) the percentage of such aggregate number of underlying Shares to the issued share capital; and (3) the dilution effect and impact on earnings per share upon full exercise of the options under the pre-IPO option schemes; and

(iii) making available for public inspection a full list of all grantees under the pre-IPO option schemes with all the particulars required under Share Incentive Disclosure Requirements.

As of the Latest Practicable Date, the Pre-IPO Share Option Schemes were in effect, to which the Share Incentive Disclosure Requirements are applicable. For details, see "Appendix VI — Statutory and General Information — D. Share Incentive Schemes" to this prospectus.

As of the Latest Practicable Date, the total number of H Shares underlying all outstanding options granted to 130 participants under the Pre-IPO Share Option Schemes amounted to 8,846,696 H Shares, accounting for approximately 2.07% of the total issued Shares upon completion of the Global Offering (assuming (i) the Over-allotment Option is not exercised; and (ii) no options granted under the Pre-IPO Share Option Schemes have been exercised). Among the outstanding options, one senior management, one connected person, and 128 employees who are not our Directors, senior management or connected persons were granted options to subscribe for 868,035 H Shares, 26,067 H Share and 7,952,594 H Shares, respectively. No options were granted to our Directors under the Pre-IPO Share Option Schemes. No options under the Pre-IPO Share Option Schemes will be further granted upon Listing.

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

(a) since the outstanding options under the Pre-IPO Share Option Schemes were granted to a total of 130 participants involved, strict compliance with the Share Incentive Disclosure Requirements to disclose names, addresses, and entitlements on an individual basis in this prospectus will require substantial number of pages of additional disclosure and would significantly increase the cost and timing for information compilation and document preparation;

(b) the grant and exercise in full of the options under the Pre-IPO Share Option Schemes will not cause any material adverse impact to the financial position of our Group;

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

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

The Stock Exchange has granted us, a waiver from strict compliance with Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules in relation to the Pre-IPO Share Option Schemes on the conditions that:

(i) the following information will be clearly disclosed in this prospectus:

    (a) on individual basis, full details of all the outstanding options granted by our Company under the Pre-IPO Share Option Schemes to each of the senior management and connected persons, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules;

    (b) in respect of the outstanding options granted by our Company to the grantees other than those referred to in sub-paragraph (i)(a) above, disclosures are made on an aggregate basis with the following details being set out in this prospectus, including: (1) aggregate number of grantees and number of H Shares subject to the options; (2) the consideration paid for the grant of the options; and (3) the exercise period and the exercise price for the options;

(c) the dilution effect and impact on earnings per Share upon full exercise of the outstanding options granted under the Pre-IPO Share Option Schemes;

(d) the aggregate number of H Shares subject to the options granted by our Company under the Pre-IPO Share Option Schemes and the percentage of our Company's issued share capital of which such number represents;

(e) a summary of the Pre-IPO Share Option Schemes; and

(f) the list of all the grantees, containing all details as required Share Incentive Disclosure Requirements be made available for public inspection in accordance with "Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection."

(ii) the disclosure is consistent with the Waiver Conditions.

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

(i) full details of options granted by our Company under the Pre-IPO Share Option Schemes to each of the senior management and connected persons of our Company are disclosed in "Appendix VI — Statutory and General Information — D. Share Incentive Schemes" to this prospectus, such details include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(ii) in respect of the options granted by our Company under the Pre-IPO Share Option Schemes to the grantees other than those referred to in sub-paragraph (i) above disclosures are made on an aggregate basis, categorized into lots based on the number of Shares underlying each individual grantee, being (i) 1 to 50,000 H Shares, (ii) 50,001 to 100,000 H Shares, and (iii) more than 100,000 H Shares. For each lot of H Shares, the following details are disclosed in this prospectus, including (1) the aggregate number of grantees and the number of H Shares subject to the options; (2) the consideration (if any) paid for the grant of the options; and (3) the exercise period of the options and the exercise price for the options;

(iii) a full list of all the grantees (including the persons referred to in sub-paragraph (i) above), who have been granted options to subscribe for H Shares under the Pre-IPO Share Option Schemes, containing all details as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with "Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection"; and

(iv) the particulars of the exemption are disclosed in this prospectus and that this prospectus will be issued on or before March 16, 2026.

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

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.

Rule 4.04(1) of the Listing Rules requires that the consolidated results of the listing applicant and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the prospectus, or such shorter period as may be acceptable to the Stock Exchange, be included in the accountants' report of the prospectus.

Paragraph 19 of the Chapter 1.1A of the Guide for New Listing Applicants issued by the Stock Exchange provides that where an applicant issues its prospectus in the third month after the latest year end, a Rule 4.04(1) waiver would be subject to the following conditions:

(a) the applicant must list on the Stock Exchange within three months after the latest year end;

(b) the applicant must obtain a certificate of exemption from the SFC on compliance with the relevant Companies (Winding Up and Miscellaneous Provisions) Ordinance requirements; and

(c) the prospectus must include the financial information for the latest financial year and a commentary on the results for the year. The financial information to be included in the listing document must (a) follow the same content requirements as for a preliminary results announcement under Rule 13.49 of the Listing Rules; and (b) be agreed with the reporting accountants 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 financial year of our Company ends on December 31. This prospectus contains the consolidated results of the Group for the three years ended December 31, 2024 and the nine months ended September 30, 2025, but does not include the financial statements and results of the Group in respect of the full year immediately preceding the issue of the prospectus as required 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.

The strict compliance with the requirements under Rule 4.04(1) of the Listing Rules and paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would be unduly burdensome for our Company due to the following reasons and the waiver and exemption would not prejudice the interest of the investing public as:

(a) there would not be sufficient time for our Company and the Reporting Accountants to finalize the audited consolidated financial statements of the Group for the year ended December 31, 2025 for inclusion in this prospectus. It would be unduly burdensome for our Company and the Reporting Accountants to undertake the considerable amount of work required to prepare, update and finalize the Accountants' Report to cover such additional period within a short period of time. If the results for the full year ended December 31, 2025 are to be included in this prospectus, there would be a significant delay in the listing timetable;

(b) our Directors and the Joint Sponsors confirm, after performing due diligence work up to the date of this prospectus, that there has been no material adverse change to the financial and trading positions or prospects of the Group since October 1, 2025 (immediately following the date of the latest audited statement of financial position in the Accountants' Report as set out in Appendix I to this prospectus) up to the date of this prospectus, and there has been no event since October 1, 2025 which would materially affect the information contained in the Accountants' Report as set out in Appendix I to this prospectus, the financial information section, the unaudited preliminary financial information for the year ended December 31, 2025 as set out in Appendix IIB 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 has included in this prospectus (i) the Accountants' Report covering the three years ended December 31, 2024 and the nine months ended September 30, 2025, (ii) the unaudited preliminary financial information of our Group for the year ended December 31, 2025 and a commentary on the results for the year, which has been agreed with the Reporting Accountants, 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, and such disclosure is no less than the content requirements for a preliminary results announcement under Rule 13.49 of the Listing Rules (the "**Preliminary Financial Information and Commentary**"), and (iii) the information regarding the recent development of the Group subsequent to the Track Record Period and up to the Latest Practicable Date, as disclosed in "Summary — Recent Development and No Material Adverse Change;"

(d) our Company is of the view that the Accountants' Report covering the three years ended December 31, 2024 and the nine months ended September 30, 2025, as set out in Appendix I to this prospectus, the unaudited pro forma financial information as set out in Appendix IIA to this prospectus, the unaudited preliminary financial information for the year ended December 31, 2025 as set out in Appendix IIB to this prospectus, together with other disclosure 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 of our Company, and that all information which is necessary for the investing public to make an informed assessment of the business, assets and liabilities, financial position, management and prospects has been included in this prospectus. Therefore, the granting of the waiver and exemption will not prejudice the interest of the investing public;

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

(f) our Company will comply with the requirements under Rule 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 our 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.

Based on the grounds set out above, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 4.04(1) of the Listing Rules, relating to inclusion in the Accountants' Report of the consolidated results of the Group in respect of the full financial year ended December 31, 2025, on the conditions that: (a) this prospectus will be issued on or before March 16, 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; (b) our Company obtained from the SFC a certificate of exemption from strict compliance with the requirements under section 342(1)(b) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; (c) the Preliminary Financial Information and Commentary shall be included in this prospectus; and (d) our Company is not in breach of its constitutional documents or laws and regulations of PRC or other regulatory requirements regarding its obligation to publish preliminary results announcements.

Based on the grounds set out above, we have also applied to the SFC for, and the SFC has granted us, a certificate of exemption from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the requirements under paragraphs 27 and 31 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance to the extent that our Company's financial statements in this prospectus do not fully comply with the relevant requirements, on the conditions that:

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

(b) this prospectus will be issued on or before March 16, 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.

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

CSRC FILING

We have obtained a filing notice dated January 29, 2026 from the CSRC for the Global Offering, the Conversion of Unlisted Shares into H Shares, and the Listing of the H Shares on the Stock Exchange. In granting such filing notice, the CSRC accepts no responsibility for the financial soundness of us or for the accuracy of any of the statements made or opinions expressed in this prospectus. No other approvals under the PRC laws and regulations are required to be obtained for the listing of the H Shares on the Stock Exchange.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applications under the Hong Kong Public Offering, this prospectus contains the terms and conditions of the Hong Kong Public Offering.

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

The Listing 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 under the terms and conditions of the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters and subject to the terms and conditions of the International Underwriting Agreement. For further details on the Underwriters and the underwriting arrangements, please refer to the section headed "Underwriting" in this prospectus.

Neither the delivery of this prospectus nor any offering, sale, delivery, subscription or acquisition made in connection with the Offer Shares shall, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

For details of the structure of the Global Offering, including its conditions and the arrangements relating to the Over-allotment Option and stabilization, please refer to the section headed "Structure of the Global Offering" in this prospectus.

INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES

We have applied for the Conversion of Unlisted Shares into H Shares, which involves a total of 391,085,729 Unlisted Shares held by our all existing Shareholders. See "History, Development and Corporate Structure" and "Share Capital" for details of our existing Shareholders and their respective interests in our Company and relevant procedures for the Conversion of Unlisted Shares into H Shares. Such H Shares to be converted from Unlisted Shares are restricted from trading for a period of one year after the Listing.

We have obtained a filing notice dated January 29, 2026 from the CSRC for the Conversion of Unlisted Shares into H Shares and the listing and trading of the H Shares converted on the Stock Exchange is still subject to the approval by the Stock Exchange.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedure for applying for the Hong Kong Offer Shares is set forth in "How to Apply for Hong Kong Offer Shares" in this prospectus and on the relevant Application Forms.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by their acquisition of Hong Kong Offer Shares to, confirm that they are aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the H Shares in any jurisdiction other than Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription.

The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC.

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not associates of any of our Directors or existing Shareholders or a nominee of any of the foregoing.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option), the H Shares to be issued under the Pre-IPO Share Option Schemes, and the H Shares to be converted from Unlisted Shares.

Dealings in the H Shares on the Stock Exchange are expected to commence on Tuesday, March 24, 2026. Save as otherwise disclosed in this prospectus, no other part of our share capital is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the date of this prospectus.

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

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the H Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date as determined by HKSCC. 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 the HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made for the H Shares to be admitted in to CCASS. Investors should seek the advice of their stockbrokers or other professional advisors for details of the settlement arrangements and how such arrangements will affect your rights and interests as such arrangements may affect their rights and interests.

REGISTER OF MEMBERS AND STAMP DUTY

All of the H Shares issued pursuant to applications made in the Global Offering and converted from Unlisted Shares will be registered on our H Share register to be maintained in Hong Kong by our H Share Registrar, Computershare Hong Kong Investor Services Limited. Our principal register of members will be maintained by us at our headquarters in the PRC.

Dealings in our H Shares registered in the H Share register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty. See "Appendix III — Taxation and Foreign Exchange" for further details.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

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

According to the Guide to the Program for "Full Circulation" of H shares promulgated by CSDC on February 7, 2020, cash dividends to domestic investors of H-share "full circulation" shall be distributed through CSDC. An H-share listed company shall transfer RMB cash dividends to the designated bank account of the Shenzhen subsidiary of CSDC, who shall complete the clearing of cash dividends by distributing the cash dividends to investors through domestic securities companies.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed Computershare Hong Kong Investor Services Limited, our H Share Registrar, and it has agreed not to register the subscription, purchase or transfer of any H Share in the name of any particular holder unless and until the holder delivers a signed form to our H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

(i) agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Overseas Listing Trial Measures and our Articles of Association;

(ii) agrees with us, each of our Shareholders, Directors members of senior management and officers, and we acting for ourselves and for each of our Directors, members of senior management and officers agree with each of our Shareholders, to refer all differences, disputes and claims concerning our affairs and arising from any rights or obligations conferred or imposed by our Articles of Association, the PRC Company Law or other relevant laws, rules and regulations to arbitration 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. Such arbitration shall be final and conclusive;

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

(iv) authorizes us to enter into a contract on his/her behalf with each of our Directors, senior officers whereby such Directors, members of senior management 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 your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposal of, dealing in or the exercise of any rights in relation to our H Shares. None of our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, any of our or their affiliates or any of their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties 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, dealing in, or the exercise of any rights in relation to, our H Shares.

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, the English version of this prospectus shall prevail. The English names of the Chinese laws and regulations, government authorities, institutions, natural persons, other entities (including certain of our subsidiaries), facilities, certificates and titles included in this prospectus are translations of their Chinese names for identification purposes only. In the event of any inconsistency, the Chinese version shall prevail.

ROUNDING

Certain amounts and percentage figures, such as share ownership and operating data, included in this prospectus may have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

CURRENCY TRANSLATIONS

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

Unless otherwise specified, this prospectus contains certain translations for the convenience purposes at the following rates: Renminbi into Hong Kong dollars at the rate of RMB0.8825 to HK$1.00, Renminbi into U.S. dollars at the rate of RMB6.9025 to US$1.00 and Hong Kong dollars into U.S. dollars at the rate of HK$7.8215 to US$1.00. The RMB to HK$ and RMB to US$ exchange rates are quoted by the PBOC for foreign exchange transactions prevailing on the Latest Practice Date.

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

MARKET SHARE DATA CONVENTION

The statistical and market share information contained in this prospectus has been derived from official government publications and other sources, including information or data provided by Frost & Sullivan. Unless otherwise indicated, the information has not been verified by us independently. This statistical information may not be consistent with other statistical information from other sources within or outside the PRC. While reasonable caution has been made in the process of reproducing the data and statistics extracted from such official government publications or other sources, our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our and their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering make no representation to the appropriateness, accuracy, completeness or reliability of any such statistical and market share information.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. GU Chunguang (谷春光)	No. 65, Lane 1509, Huqingping Highway Xujing Town, Qingpu District Shanghai, PRC	Chinese
Dr. YANG Yan (楊艷)	Building 90, No. 1288 Hami Road Changning District Shanghai, PRC	Chinese
Mr. SHEN Lu (沈鷺)	Room 801, No. 1, Lane 415, Miaopu Road Pudong New Area Shanghai, PRC	Chinese
Dr. BAI Hongxing (白紅星)	No. 9, Guangmao Avenue Daxing Industrial Development Area Beijing, PRC	Chinese
Non-executive Directors		
Mr. SHEN Qi (沈奇)	Room 403, No. 5, Lane 299, Emei Road Hongkou District Shanghai, PRC	Chinese
Mr. LI Qiuyu (李秋雨)	28th Floor, No. 90, Zhongshan East Road Qinhuai District Nanjing, Jiangsu, PRC	Chinese
Independent Non-executive Directors		
Dr. HU Jianqiang (胡建強)	Room 508, Siyuan Building, 220 Handan Road Yangpu District Shanghai, PRC	American
Mr. MO Rong (莫融)	Room 1502, Building 3, Lane 299, Yaohong Road Minhang District Shanghai, PRC	Chinese
Mr. LAU Hak Lap (劉克立)	Block C, 2/F, Clarence Court, 12 Clarence Terrace Western District Hong Kong	Chinese (Hong Kong)

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

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**Guotai Junan Capital Limited** 27/F, Low Block, Grand Millennium Plaza 181 Queen's Road Central Hong Kong
	CITIC Securities (Hong Kong) Limited 18/F, One Pacific Place 88 Queensway Hong Kong
Sponsor-Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**Guotai Junan Securities (Hong Kong) Limited** 27/F, Low Block, Grand Millennium Plaza 181 Queen's Road Central Hong Kong
	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong
Overall-Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**CMB International Capital Limited** 45/F, Champion Tower 3 Garden Road, Central Hong Kong
	Yellow River Securities Limited Room 2701B, 27/F, Tower 1, Admiralty Center 18 Harcourt Road, Admiralty Hong Kong
Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**ICBC International Securities Limited** 37/F, ICBC Tower 3 Garden Road Hong Kong
	ABCI Capital Limited (acting as Joint Global Coordinator and Joint Bookrunner) 11/F, Agricultural Bank of China Tower 50 Connaught Road, Central Hong Kong
	ABCI Securities Company Limited (acting as Joint Lead Manager only) 10/F, Agricultural Bank of China Tower, 50 Connaught Road, Central Hong Kong

Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**CCB International Capital Limited** 12/F, CCB Tower 3 Connaught Road Central, Central Hong Kong
	Yunfeng Securities Limited Rooms 1803 -1806, YF Life Centre 38 Gloucester Road, Wanchai Hong Kong
	Livermore Holdings Limited Unit 1214A, 12/F, Tower II Cheung Sha Wan Plaza 833 Cheung Sha Wan Road, Kowloon Hong Kong
	SPDB International Capital Limited 33/F, SPD Bank Tower, One Hennessy 1 Hennessy Road Hong Kong
	Shenwan Hongyuan Securities (H.K.) Limited Level 6, Three Pacific Place 1 Queen's Road East Hong Kong
	Yuen Meta (International) Securities Limited 2601, 26/F, Wanchai Central Building 89 Lockhart Road, Wanchai Hong Kong
	Harmonia Capital Limited Unit 2505, 25/F, Cosco Tower, 183 Queen's Road Central, Hong Kong
Legal Advisors to Our Company	*As to Hong Kong and U.S. laws:* **Kirkland & Ellis** 26/F, Gloucester Tower, The Landmark 15 Queen's Road Central Hong Kong
	As to PRC laws: **Lifeng Partners** 39/F, Tower 2, Jing An Kerry Centre 1539 West Nanjing Road Shanghai, PRC
	As to International Sanctions laws: **Hogan Lovells** 11th Floor, One Pacific Place 88 Queensway Hong Kong

	As to U.S. Outbound Investment Rule: **Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo** 30th Floor, Shiroyama Trust Tower 4-3-1 Toranomon, Minato-ku Tokyo, Japan 105-6030
Legal Advisors to the Joint Sponsors and Underwriters	*As to Hong Kong and U.S. laws:* **Jia Yuan Law Office** Suites 3502-3503, 35/F, One Exchange Square 8 Connaught Place Hong Kong *As to PRC laws:* **AllBright Law Offices** 9/F, 11-12/F, Shanghai Tower No. 501 Yincheng Middle Road, Pudong New Area Shanghai, PRC
Reporting Accountants and Auditor	**KPMG** *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8th Floor, Prince's Building 10 Chater Road, Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 West Nanjing Road, Jing'an District Shanghai, PRC
Compliance Advisor	**Guotai Junan Capital Limited** 27/F, Low Block, Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Receiving Banks	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong **Industrial and Commercial Bank of China (Asia) Limited** 33/F, ICBC Tower, 3 Garden Road, Central Hong Kong

Head Office, Registered Office and Principal Place of Business in the PRC	No. 1118, Chicheng Road Daqiao Town, Nanhu District Jiaxing City, Zhejiang Province, PRC
Principal Place of Business in Hong Kong	31/F, Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong
Company's Website	www.galaxis-tech.com *(Information contained in this website does not form part of this prospectus)*
Joint Company Secretaries	**Mr. SONG Yao (宋垚)** No. 1118, Chicheng Road Daqiao Town, Nanhu District Jiaxing City, Zhejiang Province, PRC **Mr. WONG Chun Wing Samuel (黃俊穎)** *(a member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 31/F, Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong
Authorized Representatives	**Dr. GU Chunguang (谷春光)** No. 1118, Chicheng Road Daqiao Town, Nanhu District Jiaxing City, Zhejiang Province, PRC **Mr. WONG Chun Wing Samuel (黃俊穎)** *(a member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 31/F, Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong
Audit Committee	Mr. LAU Hak Lap (劉克立) *(Chairperson)* Mr. MO Rong (莫融) Mr. SHEN Qi (沈奇)
Remuneration Committee	Dr. HU Jianqiang (胡建強) *(Chairperson)* Mr. MO Rong (莫融) Dr. BAI Hongxing (白紅星)
Nomination Committee	Dr. HU Jianqiang (胡建強) *(Chairperson)* Mr. LAU Hak Lap (劉克立) Dr. YANG Yan (楊艷)

Strategy Committee	Dr. GU Chunguang (谷春光) *(Chairperson)* Mr. MO Rong (莫融) Dr. HU Jianqiang (胡建強)
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong
Principal Bank	**Bank of Ningbo Jiaxing Branch** No. 1485 Qingfeng Road & No. 883 Guangyi Road Nanhu District, Jiaxing City Zhejiang Province PRC

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THE INTELLIGENT INTRALOGISTICS INDUSTRY

Overview

Intralogistics refers to the movement, storage, and management of materials and goods within a facility, such as a warehouse, distribution center, or production plant. Depending on business requirements, logistics models, operational processes, and technical demands, intralogistics can be broadly categorized into two application scenarios: distribution and production. From 2020 to 2024, the global intralogistics market expanded steadily from RMB1,734.6 billion in 2020 to RMB2,336.9 billion in 2024, and is projected to reach RMB3,667.4 billion by 2030. China holds a significant share of the global intralogistics market. From 2020 to 2024, the market size in China increased from RMB680.0 billion to RMB993.2 billion, representing a CAGR of 9.9%. It is expected to reach RMB1,654.5 billion by 2030, with a CAGR of 8.7% between 2025 and 2030.

Intelligent intralogistics refers to the modernization of internal logistics operations through the integration of advanced equipment systems, such as shuttles, AMR/AGVs, conveying and sorting robots, combined with software architecture and IoT technologies. Compared to non-intelligent intralogistics solutions, intelligent intralogistics solutions offer enhanced flexibility and adaptability, allowing for real-time adjustments and optimization in dynamic environments, and significantly improving operational efficiency and reducing in labor cost. Intelligent intralogistics solutions are estimated to offer 30% to 50% higher operational efficiency and 40% to 60% lower labor costs compared with non-intelligent intralogistics solutions. These advantages have driven steady growth in the penetration rate of the intelligent intralogistics market, which is projected to grow globally from 19.5% in 2024 to 27.0% by 2030. In China, the market penetration rate is projected to grow from 17.7% to 25.0% over the same period.

Intelligent Transformation of Intralogistics

The intralogistics industry is undergoing an intelligent transformation driven by continuous innovations in hardware, particularly shuttles and AMRs, and software systems including WMS, WCS and RCS. The rapid advancement of AI has further accelerated this transformation, with robots progressing toward embodied AI and software platforms leveraging cloud-edge synergy and swarm intelligence for seamless multi-robot coordination. This is reflected across three dimensions:

- **Robot:** At the perception level, robots leverage multimodal environmental perception technologies, such as image recognition, voice recognition, and stereoscopic vision, to understand the surroundings and adapt to dynamic environments. At the decision-making level, reinforcement learning allows robots to continuously optimize their decisions through trial-and-error and feedback mechanisms, integrating real-time data into the learning process. At the control level, embodied AI technologies enables robots to self-adjust and refine their motion paths through machine learning algorithms, achieving more precise motion planning and execution.

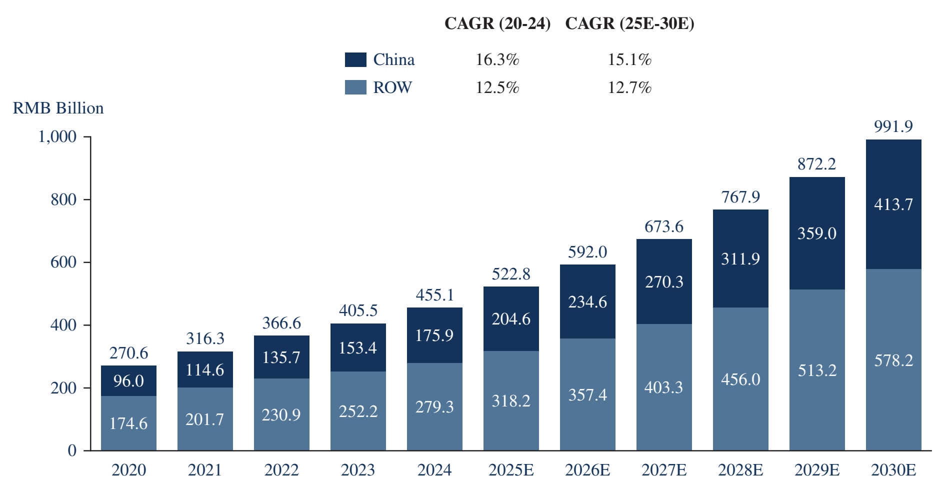
- **Software:** Advancements in AI algorithms and computing power are significantly enhancing the cloud-edge collaboration and swarm intelligence capabilities of software systems. Large-scale simulations and model training can be executed in the cloud to dynamically support the edge with real-time data, enabling efficient multi-robot coordination and smarter, more agile operational scheduling.

- **Solution:** Intelligent intralogistics solutions are evolving toward greater generalization. These solutions will be increasingly capable of being deployed efficiently across a wide range of new application scenarios, facilitating rapid adaptation to diverse and complex working environments.

Market Size

Driven by increasing labor costs, rising operational complexity, and growing demand for efficiency, the global intelligent intralogistics market grew steadily from RMB270.6 billion in 2020 to RMB455.1 billion in 2024, and is projected to reach RMB991.9 billion by 2030, representing a CAGR of 13.7% from 2025 to 2030. China is a major player in the intelligent intralogistics market, with its market size increasing from RMB96.0 billion in 2020 to RMB175.9 billion in 2024, representing a CAGR of 16.3%. By 2030, the market is expected to reach RMB413.7 billion, with a projected CAGR of 15.1% from 2025 to 2030.

Market Size of Global and China's Intelligent Intralogistics Market, 2020-2030E



	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Penetration rate of China's intelligent intralogistics market	14.1%	14.4%	15.6%	16.6%	17.7%	18.7%	19.7%	20.8%	21.8%	23.4%	25.0%
Penetration rate of global intelligent intralogistics market	15.6%	15.9%	17.2%	18.3%	19.5%	20.5%	21.6%	22.7%	23.8%	25.4%	27.0%

Notes: The penetration rate, calculated by dividing the market size of intelligent intralogistics by that of intralogistics, indicates the prevalence and saturation of intelligent intralogistics systems. China's and the global intelligent intralogistics penetration rates are based on historical intralogistics market sizes.

Source: Frost & Sullivan

THE INTELLIGENT INTRALOGISTICS ROBOTICS INDUSTRY

Overview

Definition and Categorization of Intelligent Intralogistics Robots

The evolution of intelligent intralogistics is fundamentally linked to advances in robotic systems, which have become the key enabling technology for modern facility automation. At their core, intelligent intralogistics robots combine advanced technologies including navigation and localization, motion control, autonomous driving, multi-robot coordination, and AI to automate critical tasks such as material storage and retrieval, transport, and sorting within facilities. Major types of intelligent intralogistics robots primarily include:

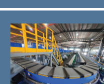
- ***Shuttles:*** Shuttles comprise specialized robots for tote and pallet handling operations. These robots primarily consist of two types: four-way shuttles enabling omnidirectional movement (forward, backward, left, right), and two-way shuttles restricted to linear reciprocating motion. Supported by high-speed lifts, shuttles are predominantly deployed in high-bay warehousing and stereoscopic storage, where their compact size and agile movement capabilities facilitate high-density inventory handling within racks.

- ***Mobile Robots (AMR/AGVs):*** AMRs usually utilize SLAM and QR code technologies for navigation, and are enhancing their dynamic path planning capabilities through the application of AI to offer flexible transportation of materials such as pallets and totes. AGVs, on the other hand, follow predefined routes for reliable transportation of these materials. Very-narrow-aisle AMR (VNA AMR) is a type of AMR specifically designed for warehouse environments with very narrow aisles, typically less than 1.8 meters in width. VNA AMRs utilize high-precision positioning and navigation technologies to autonomously transport and pick items between shelves within limited spaces. Equipped with lifting systems, they can also access goods stored on multiple vertical levels. By contrast, other AMRs emphasize flexibility and are more suitable for open space and logistics centers or production workshops that undergo frequent changes. VFRs are a subset of VNAs, which are in turn a subset of AMRs.

- ***Conveying and Sorting Robots (CSRs):*** CSRs are designed to handle a wide range of materials, enabling continuous movement of the materials while executing high-speed transportation, precise picking and sorting operations. Equipped with sensors, machine vision cameras and other intelligent recognition systems, they can identify the shapes of items through the image recognition system, sort the items with robotic arms or other sorting devices, such as cross belt, and then convey and place those items in designated locations, thereby achieving rapid conveying and sorting of goods.

- ***Other Robots:*** Other robots are composed of RGVs and stacker cranes. RGVs are material handling vehicles that operate on rails in warehouses and manufacturing facilities. Stacker cranes, equipped with forks or poles as handling devices, are specialized to grasp and stack or retrieve unitized goods from high-level shelves in industrial settings such as warehouses and workshops.

Category of Intelligent Intralogistics Robots

Robot Type		Core Function	Key Technology
Shuttle		• High-density storage/retrieval in racks	• Multi-directional running mechanism; Multi-robot scheduling; Intelligent dispatching system
AMR/ AGV		• Material transport (pallets, carts, goods)	• AMR: SLAM, AI path planning • AGV: Magnetic tape/laser guidance;
Conveying and sorting robot		• High-speed sorting at fixed locations	• High-speed actuators; precision control systems

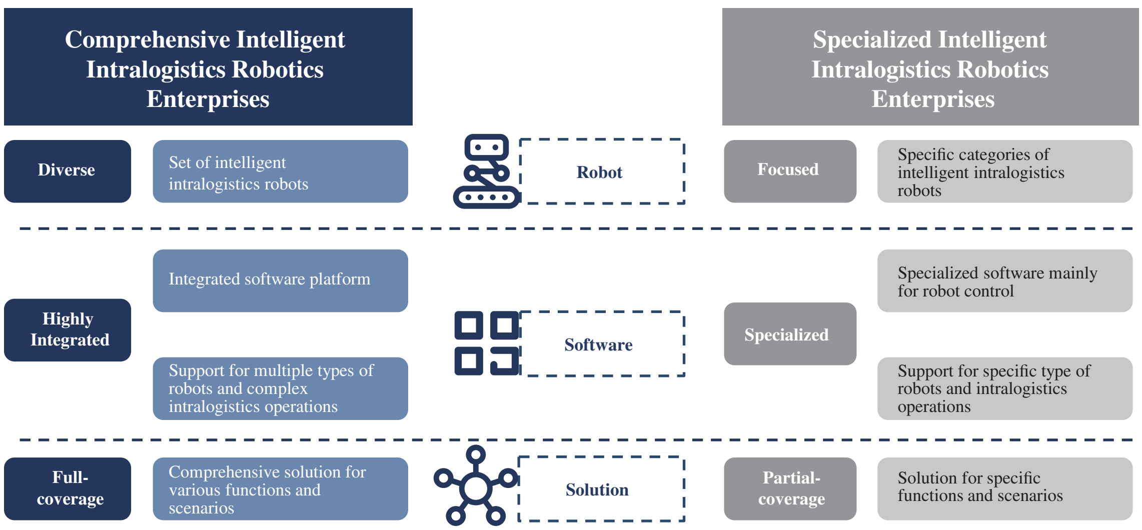
Source: Frost & Sullivan

Intelligent intralogistics robots represent a paradigm shift in modern facility operations, emerging as an indispensable solution to address critical operational challenges in an increasingly complex and demanding business environment. They transform operational capabilities by dramatically enhancing efficiency, significantly reducing labor dependency, and virtually eliminating human error. Operating continuously 24/7 while maintaining precise performance and workplace safety, these robots and systems establish new benchmarks for reliable performance.

Acting as modular building blocks, these robots can be combined and configured to create customized systems that address diverse operational needs. These systems offer unprecedented flexibility to scale operations and adapt to evolving business requirements without extensive infrastructure modifications — a critical advantage in today's rapidly changing market conditions.

Business Model of Intelligent Intralogistics Robotics Industry

The enterprises in the intelligent intralogistics robotics industry can be generally divided into two types of business models: specialized intelligent intralogistics robotics enterprises and comprehensive intelligent intralogistics robotics enterprises. Specialized intelligent intralogistics robotics enterprises focus on delivering specific categories of robots and adopt specialization and scale-driven strategies to expand their market share. Comprehensive intelligent intralogistics robotics enterprises enhance their competitiveness by building diversified robotic product portfolios with integrated software and solution capabilities, covering of key intralogistics processes to meet diverse user needs across various scenarios.

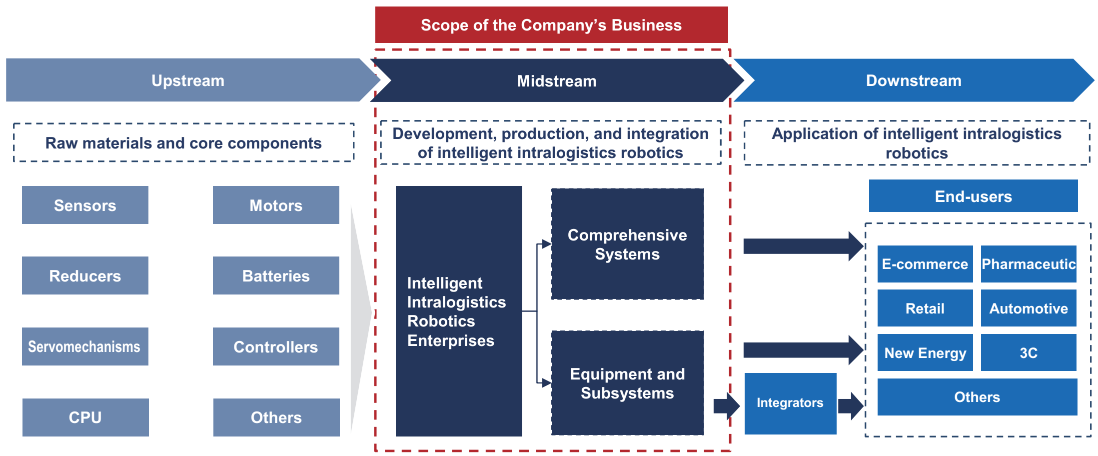


Source: Frost & Sullivan

Value Chain of the Intelligent Intralogistics Robots

The intelligent intralogistics robotics value chain consists of three segments: upstream component manufacturers supplying essential hardware (sensors, motors, reducers, and other mechanical/electronic parts), midstream solution providers, and downstream deployment. The midstream segment, where the highest value creation occurs, focuses on three core activities: proprietary technology R&D, hardware production, and robotics deployment and system design. The seamless integration of hardware, software, and such design capabilities enables downstream deployment at varying scales, from smaller scale robot deployment to large-scale comprehensive systems.

Value Chain of Intelligent Intralogistics Robotics Industry



Source: Frost & Sullivan

Key Value of the Intelligent Intralogistics Robots in China and Globally

In today's competitive business environment, traditional intralogistics operations face critical challenges that limit organizational performance and growth. These challenges span across operational efficiency, cost management, system complexity, and adaptability to change. Intelligent intralogistics robots have emerged as a transformative solution, delivering comprehensive improvements across these fundamental pain points.

Key Pain Points in Intralogistics and Value Proposition of Intelligent Intralogistics Robots

	Key Pain Points in Intralogistics	Value Proposition of Intelligent Intralogistics Robots
Efficiency Bottlenecks	• **Storage:** relying on manual allocation of storage locations, time-consuming retrieval and lack of real-time inventory tracking • **Sorting:** depending on manual operations, which are slow and prone to errors • **Transport:** relying on manual forklifts or hand carts, with limited speed and a higher risk of goods damage	• **Storage:** utilizing AS/RS and shuttle systems to automatically allocate and manage storage locations • **Sorting:** employing CSRs to increase sorting speed and accuracy • **Transport:** allowing for transportation along optimal routes, enhancing efficiency and flexibility while minimizing goods damage risk with various AMR/AGVs and conveying systems
Cost Pressures	• **Labor Cost:** representing labor-intensive, leading to high labor costs • **Land Cost:** requiring more space, resulting in higher land costs	• **Labor Cost:** cutting labor costs by employing intelligent intralogistics robots • **Land Cost:** optimizing space utilization and increasing storage capacity manifold with high-bay warehouse, thereby reducing overall land requirements and costs
Management Complexity	• lacking real-time monitoring and traceability, leading to stockouts, overstocking, and reduced efficiency	• offering real-time monitoring and traceability with WMS/WCS, enhancing inventory accuracy and process optimization
Limited Flexibility	• relying on fixed processes and manual operations, making it difficult to adapt to dynamic business needs	• boosting efficiency and flexibility through autonomous route planning, dynamic task adjustment, and real-time layout adaptation

Source: Frost & Sullivan

Market Size

By Region

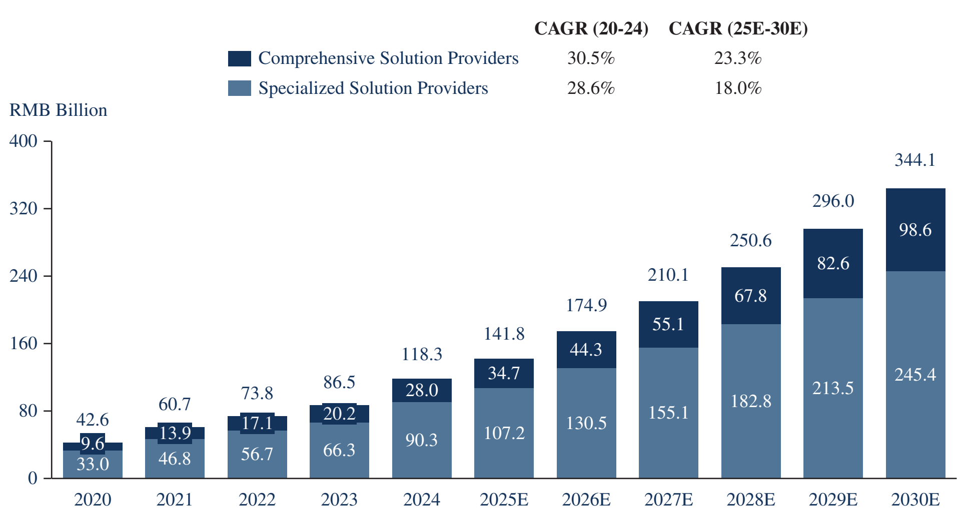
The global intelligent intralogistics robotics industry is primarily driven by the increasing demand for operational efficiency and automation in logistics operations, as companies seek to enhance productivity, reduce labor costs, and improve accuracy in their supply chains. In this context, the global intelligent intralogistics robotics market grew steadily from RMB42.6 billion in 2020 to RMB118.3 billion in 2024, and is projected to reach RMB344.1 billion by 2030, representing a CAGR of 19.4% from 2025 to 2030. China's role in this market has become increasingly prominent, driven by its massive production base, rapid e-commerce growth, and strong government support for industrial automation. The Chinese market expanded from RMB13.9 billion in 2020 to RMB44.0 billion in 2024, representing 37.2% of the global market. By 2030, China's market is expected to reach RMB133.9 billion, with a CAGR of 20.2% from 2025 to 2030, reflecting the country's accelerating transition toward intelligent production and logistics.

In addition, Southeast Asia and the Middle East are key growth regions in the global intelligent intralogistics robotics industry. In 2024, the market size in Southeast Asia was approximately RMB3.0 billion and is projected to reach RMB11.9 billion by 2030, representing a CAGR of 25.1% from 2025 to 2030. Meanwhile, the Middle East market is expected to grow from RMB5.3 billion in 2024 to RMB19.6 billion in 2030, with a CAGR of 23.7% from 2025 to 2030. This strong growth in both regions is primarily driven by the rapid expansion of e-commerce and the active implementation of advanced manufacturing development plans.

By Enterprise Type

The intelligent intralogistics robotics market is primarily composed of two types of companies: comprehensive solution providers and specialized solution providers. Comprehensive solution providers integrate various robotic systems, including storage/retrieval, material transport and conveying, and picking and sorting operations, to offer end-to-end solutions. In contrast, specialized solution providers differentiate themselves through in-depth expertise in specific robotic categories. In 2024, comprehensive solution providers generated revenues of RMB28.0 billion globally, accounting for 23.7% of the total market income. This share is projected to increase steadily over the forecast period, reaching an estimated 28.7% by 2030.

Market Size of Intelligent Intralogistics Robotics Industry (by enterprise types), Global, 2020-2030E

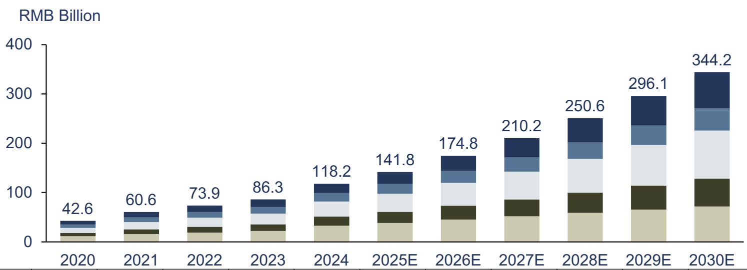


Source: Frost & Sullivan

By End-User Industries

The intelligent intralogistics robotics market serves a diverse range of end-user industries, with automotive, new energy and pharmaceutical being the most prominent application areas. The growth in the global intelligent intralogistics robotics industry is primarily driven by the increasing demand from downstream applications. For example, in the automotive industry, the shift towards intelligent manufacturing and the need for higher production efficiency and flexibility are driving the adoption of advanced intralogistics solutions. In 2024, intelligent intralogistics robotics providers generated revenues of RMB30.3 billion in automotive manufacturing, RMB19.3 billion in new energy, and RMB18.7 billion in pharmaceutical, accounting for 25.6%, 16.3%, and 15.8% of the total income, respectively. Over the forecast period, the market shares of automotive, new energy and pharmaceutical are projected to continue rising, reaching 28.2%, 21.3% and 16.5% by 2030, respectively. The lithium battery industry is a segment of the new energy sector. Driven by the slowdown in new energy vehicle sales growth and temporary overcapacity, the lithium battery industry has significantly curbed its capacity expansion, which in turn has reduced the demand for intelligent intralogistics robotics in this downstream sector.

Market Size of Intelligent Intralogistics Robotics Industry (by end-user industries), Global, 2020-2030E

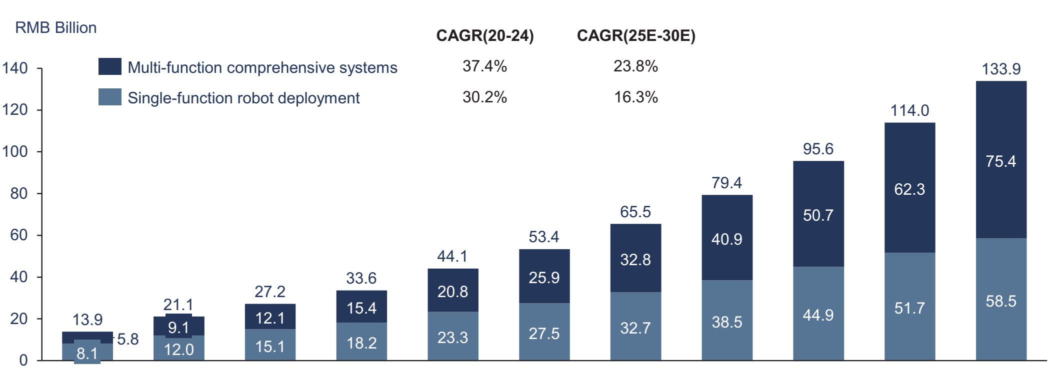


	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	CAGR (20-24)	CAGR (25E-30E)
New Energy	7.4	10.8	13.3	15.8	19.3	23.6	30.6	38.6	48.5	60.2	73.4	27.0%	25.5%
3C Electronics	6.9	9.6	11.5	13.2	17.1	20.2	24.4	28.9	33.9	39.4	45.2	25.3%	17.5%
Automotive	10.1	14.8	18.4	21.8	30.3	36.9	46.4	56.7	68.6	82.4	97.1	31.5%	21.3%
Pharmaceutical	6.6	9.4	11.6	13.6	18.7	22.6	28.1	34.0	40.8	48.5	56.7	30.0%	20.2%
Others	11.6	16.0	19.1	21.9	32.8	38.5	45.3	52.0	58.8	65.6	71.8	29.7%	13.3%
Total	**42.6**	**60.6**	**73.9**	**86.3**	**118.2**	**141.8**	**174.8**	**210.2**	**250.6**	**296.1**	**344.2**	**29.1%**	**19.4%**

By Business Model

Single-function robot deployment involves using self-developed robots for specific tasks like picking or transport. Multi-function comprehensive systems integrate these robots with third-party products to handle multiple operations, such as complete warehouse automation. From 2020 to 2030, the single-function segment expanded from RMB8.1 billion to RMB58.5 billion, while the multi-function segment grew even more rapidly, from RMB5.8 billion to RMB75.4 billion, which highlights a strong industry shift towards multi-function comprehensive system solutions.

Market Size of Intelligent Intralogistics Robotics Industry (by business models), China, 2020-2030E



Source: Frost & Sullivan

Across the industry, single-function robot deployment projects generally achieve higher gross profit margins than multi-function comprehensive systems projects primarily because deployment projects typically involve less customization and integration work, thereby reducing delivery costs. Hence, while the industry is trending towards multi-function comprehensive systems solutions, our strategic shift toward single-function robot deployment projects is commercially reasonable. Our single-function robot deployment solutions provide an alternative path to comprehensive automation by offering customers the flexibility to either integrate with other systems or deploy as standalone solutions based on their specific needs. For instance, our VFR products align with the trend toward high-density automated warehouses. Highly adaptable to storage and retrieval operations within very narrow aisles and high-bay racking systems, they can significantly enhance warehousing efficiency in these specific scenarios. This approach caters to customers who already possess in-house system integration capabilities or seek phased automation upgrades, thereby expanding our addressable customer base and complementing the industry trend toward comprehensive solutions.

Shipment Volume

Shuttles

Shuttles play a pivotal role in propelling the growth of the intelligent intralogistics market. Global shuttles shipments increased steadily from 15.7 thousand units in 2020 to 57.9 thousand units in 2024, and are projected to reach 247.5 thousand units by 2030, representing a CAGR of 26.9% from 2025 to 2030, reflecting the intensifying demand for high-density storage and efficient goods-to-person systems. Driven by the growing demand for high-density automated storage systems, shuttles are also accounting for an increasingly significant share of China's intralogistics market. From 2020 to 2024, shipment volume of shuttles in China expanded from 8.7 thousand units to 36.0 thousand units, achieving a CAGR of 42.8%, and are projected to grow to 167.3 thousand units by 2030.

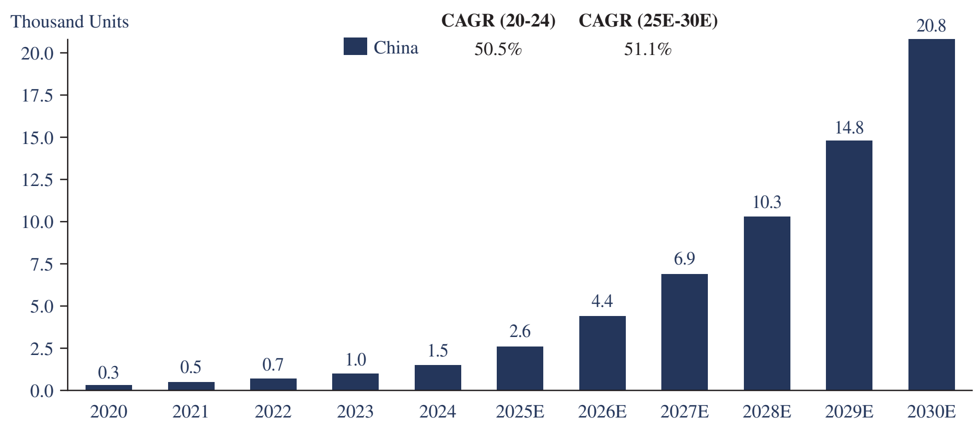
AMR/AGVs

AMR/AGVs represent a pivotal growth catalyst in the intelligent intralogistics industry. Shipment volume of AMR/AGVs increased from 75.0 thousand units in 2020 to 278.0 thousand units in 2024, and are expected to reach 1,066.4 thousand units by 2030 globally. Such rapid growth is mainly attributed to the extensive automation adoption across production and logistics industries. In China, shipment volume of AMR/AGVs climbed from 41.0 thousand units in 2020 to 168.2 thousand units in 2024, achieving a notable CAGR of 42.3% during the period. Looking ahead, the demand for AMR/AGVs is anticipated to remain strong. The shipment volume is projected to surpass 707.0 thousand units by 2030. The sustained growth of global and Chinese shipment volume underscores intensifying demand for intelligent intralogistics solutions across various industries, reflecting industry imperatives to enhance efficiency and flexibility in production and distribution operations, highlighting the crucial role of AMR/AGVs in optimizing material transportation and improving operational effectiveness.

VNA AMRs

The core features of VNA AMRs lie in their suitability for high-density warehousing scenarios, with a compact body design and flexible steering capability. They can perform high-level precision operations in narrow aisles and collaborate seamlessly with intelligent scheduling systems, thereby improving warehouse space utilization and overall operational efficiency. From 2020 to 2024, their shipment volume increased consistently, reaching 1.5 thousand units in 2024. This growth is mainly driven by enterprises' escalating demand for warehousing automation and space intensification amid rising land costs, which has accelerated the rapid transformation of narrow-aisle technology from manual operations to unmanned robotics. It is projected that the shipment volume of VNA AMRs in China will reach 20.8 thousand units by 2030.

Shipment Volume of VNA AMRs, China, 2020-2030E



Source: China Mobile Robot and AGV/AMR Industry Alliance, Frost & Sullivan

Market Drivers and Trends

The key market drivers and trends in the intelligent intralogistics robotics industry include the following:

- **Resource Optimization Through High-Density Automation**. Rising operational costs, land scarcity, and labor shortages have accelerated the shift toward high-density automated storage solutions. Advanced shuttles operating within multi-tier racking configurations achieve ultra-fast storage and retrieval while maximizing space utilization. By enabling automated operations with minimal spatial footprint, these solutions address mounting cost pressures while enhancing operational efficiency. Intelligent coordination systems further optimize storage configurations and retrieval times, making these solutions valuable for space-constrained facilities requiring precision logistics.

- **Technology Breakthrough and AI Integration**. Advances in core robotics technology such as sensors and SLAM, and the adoption of AI tools in robotics development and deployment, have dramatically improved intelligent intralogistics robots, navigation, path planning, and autonomous decision-making. The emergence of embodied AI, which can be applied to our VNA AMR products, has transformed how machines interact with their physical environment and human operators, while advanced multi-robot systems have revolutionized operational flexibility in complex warehouse environments. This enhanced adaptability transforms robots from rigid automation tools into adaptive logistics partners, accelerating deployment across use cases. The rapid development of robotic technology and AI has significantly improved robotic performance. For instance, in terms of perception technology, breakthroughs in vision technology have enabled robots to achieve high-precision positioning and cargo recognition in complex environments, greatly enhancing operational efficiency and accuracy. In warehouse operations, AI-driven scheduling algorithms optimize the deployment of AMRs/AGVs, thereby reducing idle time and increasing operational throughput by approximately 20% to 40%. In addition, predictive maintenance models enable early detection of potential equipment failures, minimizing downtime and reduce maintenance costs by up to 30%.

- **Demand for Expertise from Rising Operational Complexity**. The increasing sophistication of logistics operations is creating demand for providers with deep understanding of logistics scenarios and industry-specific requirements. Growing operational complexity and workflow optimization pressures require intelligent intralogistics providers to deliver effective solutions through strategic robot deployments or comprehensive systems that address specific challenges. As logistics operations continue to evolve in complexity, the combination of technical capabilities and strong operational understanding will become increasingly crucial for continued market success.

- **Intelligent Evolution from Intralogistics to End-to-End Supply Chain Optimization**. Major enterprises are accelerating digital transformation through AI development initiatives and intelligent manufacturing upgrades. This technological integration is expanding beyond intralogistics to enable full supply chain optimization, addressing challenges from warehouse management to last-mile delivery for enterprises of all scales. Growing adoption bridges human-machine collaboration gaps, solves complex logistics puzzles, and reinvents business models for the digital era, ultimately delivering faster and more reliable services to customers.

- **Favorable Government Policies**. Governments worldwide are implementing policies to upgrade production, promote intelligent technologies, and develop AI infrastructure, with intelligent logistics robotics as a prioritized sector. China has introduced multiple supportive measures, including the 2023 "Robot+" Application Action Plan (《"機器人+"應用行動實施方案》) jointly issued by authorities including MIIT, which calls for robot-centric intelligent logistics systems to digitalize commercial logistics. The "14th Five-Year Plan for Modern Logistics Development" (《"十四五"現代物流發展規劃》) outlines the construction of intelligent and green logistics systems, and the deployment of "lights-out factories" proposed by local governments also support the growth of the intelligent intralogistics robotics industry. In addition, the "Special Action Plan for Accelerating the Development of Digital and Intelligent Supply Chains" (《加快數智供應鏈發展專項行動計劃》) aims to promote the adoption of intelligent automated warehouses, AMRs/AGVs and unmanned delivery vehicles, and to enhance intelligent scheduling of personnel, vehicles and goods, with a view to achieving the development goal of lowering overall logistics costs across society.

- **Accelerating Globalization of Chinese Intralogistics Robotics Enterprises**. Chinese intralogistics robotics enterprises are actively expanding into international markets through two primary approaches. First, they are following the global expansion of Chinese enterprises in sectors such as e-commerce and manufacturing, providing intelligent intralogistics solutions as these companies establish operations abroad and quickly gaining overseas market presence in the process. Second, they are forming strategic partnerships with leading global integrators, helping them embed their technologies into large-scale intralogistics projects while enhancing their brand visibility and improving their adaptability to local markets. Through these two pathways, Chinese intralogistics robotics enterprises are not only expanding their global footprint, but also accelerating their technological iteration and ecosystem development by tapping into diverse application environments and customer needs worldwide.

Competitive Landscape

The global intelligent intralogistics robotics market remains relatively fragmented, characterized by both comprehensive system providers and specialized players. Comprehensive intelligent intralogistics robotics companies offer end-to-end systems by integrating multiple robotic systems across storage and retrieval, sorting and picking, as well as conveying and transport operations, while specialized players achieve market differentiation through deep expertise in specific robotic categories. The competitive landscape also encompasses companies with non-core but nevertheless commercially significant intelligent intralogistics robotics operations. In China's market, where the top five comprehensive intelligent intralogistics robotics companies collectively hold 12.6% market share, our Company has established itself as a significant player, ranking within the top five market players with a 1.6% market share, distinguished by our proprietary robotics products and systems and track record in implementing advanced automation solutions for industry leaders. Apart from the five leading companies listed below, there are estimated to be around 100 other comprehensive intelligent intralogistics robotics companies in the market.

Ranking of Comprehensive Intelligent Intralogistics Robotics Companies, China, 2024

Rank	Company	Revenue (RMB Billion)	Market Share (%)
1	Company A(1)	2.0	4.6%
2	Company B(2)	1.1	2.5%
3	Company C(3)	0.9	1.9%
4	Company D(4)	0.8	1.8%
5	**Our Company**	**0.7**	**1.6%**
	Others	38.5	87.4%
	Total	**44.0**	**100.0%**

Notes:

(1) Established in 2002 and headquartered in Beijing, China, Company A is mainly engaged in the research and development, design, manufacturing and integration business of the intelligent logistics system with automated warehouse as the core business. Based on independently developed intelligent logistics equipment and software control system, Company A provides customers with one-stop service from planning and design, equipment customization, software control system development installation and commissioning, system integration to customer training, is a provider of intelligent logistics system solution, and listed on Shanghai Stock Exchange in 2024.

(2) Established in 1993 and headquartered in Jinan, China, Company B is a global leader in end-to-end automated warehouse logistics solutions, has the ability to integrate consulting and planning, software development, equipment manufacturing, system integration, and automated operation and maintenance. Company B has successfully deployed solutions for global leaders across various industries, and listed on Shanghai Stock Exchange in 2020.

(3) Established in 1998 and headquartered in Kunming, China, Company C has served industries such as tobacco, alcohol, pharmaceuticals, express delivery and e-commerce, military and defense, automotive, home appliances, and 3C, and has successfully implemented thousands of projects in the fields of intelligent logistics and intelligent manufacturing, and is a leading enterprise in China's automated logistics system industry. Company C is listed on Shenzhen Stock Exchange in 2022.

(4) Established in 2007 and headquartered in Hefei, China, Company D is a leading integrated solution provider in the industry for intelligent factory system design and construction, focusing on core businesses such as green intelligent logistics robots, intelligent factory system design and construction, and digital twin system platforms. Company D has created multiple benchmark projects and national pilot projects in various industries such as metallurgical casting, petrochemical, new energy, pharmaceutical cold chain, food, furniture, and listed on Shanghai Stock Exchange in 2022.

Source: Company reports, Frost & Sullivan

The total shipment of VNA AMR in China was approximately 1.5 thousand units and is expected to further increase to 20.8 thousand units in 2030. In terms of VNA AMR shipment volume in 2024, the Company ranked first in China. Apart from the five leading companies listed below, it is estimated that there are fewer than 50 other VNA AMR suppliers in the market.

Ranking of VNA AMR Shipment Volume, China, 2024

Rank	Company	Shipment (Thousand Unit)	Market Share (%)
1	**Our Company**	**0.3**	**19.3%**
2	Company E[(1)]	0.3	18.9%
3	Company F[(2)]	0.2	13.7%
4	Company D	0.2	11.4%
5	Company G[(3)]	0.1	10.1%
	Others	0.4	26.6%
	Total	**1.5**	**100.0%**

Notes:

(1) Established in 2018 and headquartered in Hefei, China, Company E is an advanced domestic logistics robot and smart logistics system service provider, specializes in the development and application of industrial informatization and intelligent manufacturing systems, as well as the R&D, manufacturing, and integration of intelligent material handling and warehousing solutions.

(2) Established in 2005 and headquartered in Hefei, China, Company F is an enterprise focused on the research and development and production of material transporting equipment with 15 years of industry experience. Company F manufactures electric counterbalance forklift trucks, electric reach truck, electric reach stacker, electric power pallet jack trucks, electric lift stacker, and electric tuggers.

(3) Established in 2016 and headquartered in Hangzhou, China, Company G is a global product and solution provider specializing in machine vision and mobile robots, focuses on IIoT, smart logistics and smart manufacturing, and strives to contribute to the sustainable development of society, economy and environment.

Source: Frost & Sullivan

In terms of four-way shuttle shipment volume in 2024, our Company ranked third in China. It is estimated that there are fewer than 50 other four-way shuttle suppliers in the market.

The following representative indicators are provided for each product to compare the performance of the Company's products with those of its peers.

Comparative Analysis of Products Offered by the Company and Peers*

VNA AMRs	The Company	The Peers
Maximum lifting height (m)	~9	~3 - 4
Maximum handling weight (kg)	~1,500	~1,500
Minimum aisle width (m)	~1.5	~1.5 – 2

Four-way Shuttles	The Company	The Peers
Maximum moving speed (m/s)	~5	~1 – 3
Positioning accuracy (mm)	±2	±2
Direction-turning time (s)	~1.5	~1 – 3

Two-way Shuttle	The Company	The Peers
Maximum moving speed (m/s)	~5	~5
Positioning accuracy (mm)	±2	±2 - 3
Maximum handling weight (kg)	~50	~50

CSR	The Company	The Peers
Maximum moving speed (m/min)	~60	~40
Conveyor track (mm)	+1	±5
Maximum handling weight (kg/m)	~3	~1 - 3

* Among these indicators, a comparative analysis of ASPs between the Company and its peers is not feasible, as accurate ASP data of peers is not available.

Source: Frost & Sullivan

Entry Barriers

- **First-mover Portfolio Advantages.** Comprehensive product portfolios and established deployment capabilities present formidable barriers to entry. Rigorous development and refinement of robots and systems across diverse applications enables performance validation in real-world implementations and continuous improvement, creating a widening capability gap that compounds with each successful deployment.

- **Advanced Technical Capabilities.** Market leaders possess sophisticated hardware-software integration expertise spanning navigation systems, SLAM algorithms, multi-robot coordination, and WMS platform compatibility. The complexity of these technical systems, refined through extensive field testing, presents formidable barriers to entry.

- **Strong Customer Relationships Through Full-life-cycle Services.** The mission-critical nature of intralogistics systems creates strong customer lock-in through deep operational integration. Established players maintain these relationships through comprehensive after-sales support, system optimization, and continuous upgrades.

- **Deep Industry Understanding and Market Coverage.** Effective robotics systems require intimate knowledge of sector-specific workflows, compliance requirements, and operational constraints. Leading providers have developed specialized expertise across pharmaceutical, e-commerce, automotive, and other key industries, creating significant barriers.

- **Specialized Talent and Organizational Expertise.** The industry requires rare combinations of skills across robotics engineering, algorithm development, industrial design, and domain-specific knowledge. Established players have built deep talent pools and accumulated organizational knowledge in critical areas such as system design, deployment methodology, and post-installation support.

Cost Analysis of Core Components for Intelligent Intralogistics Robots

The multi-directional shuttles are typically equipped with several key components, including a multi-directional drive system, track-guided mechanisms, onboard controllers, power supply systems, wireless communication modules, and positioning sensors. It is commonly used in conjunction with high-speed lifts to enable multi-level operations. The AMR/AGVs usually include core modules such as a mobile chassis with differential or omnidirectional wheels, SLAM or vision-based navigation systems, a central control unit, obstacle avoidance sensors (e.g., LiDAR, cameras), and wireless communication systems. CSRs are built around servo motors, mechanical actuators, and manipulator control systems, often integrated with WMS platforms.

The pricing of key components for these robots has generally shown a declining pattern over recent years due to economies of scale, technological advancements in components like sensors and batteries, and increasing domestic production of core modules. The falling cost of core components (e.g., LiDAR prices are projected to drop by 50%-60% to RMB 200-500 by 2030, while sensors and integrated circuits see 30%–50% declines due to scale and technology gains) and increasing market competition are gradually making intelligent intralogistics robots more accessible to a wider range of industries.

Main Raw Materials	2020-2024: Unit Price Range (RMB)	Key Factors Influencing Pricing
Control Boards	300-1000	• Technology iteration, domestic substitution, and market competition shape prices, with consumer-grade facing price wars and industrial-grade tied to robot/AIoT demand.
Sensors	0.5-20,000	• Price varies by type/function; • Mid-low tier sensors see domestic substitution-driven drops, while high-end ones rely on imports, vulnerable to overseas factors.
Integrated Circuits	0.1-120	• Costs hinge on process/function; • Domestic mid-low tier integrated circuits lower prices, but high-end ones face overseas tech blocks, causing swings.
LiDAR	400-1,000	• Technology route (solid-state vs mechanical) and mass production impact prices; • Demand growth and competition drive cost changes.

SOURCE OF INFORMATION

In connection with the Global Offering, we engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare the Frost & Sullivan Report about, the intelligent intralogistics robotics market. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York and its services include, among others, industry consulting, market strategic consulting and corporate training. In connection with the market research services provided, we have agreed to pay a fee of RMB500,000 to Frost & Sullivan, which we believe to be consistent with market rates.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan conducted (i) primary research includes interviewing industry participants, competitors, downstream customers and recognized third-party industry associations; and (ii) secondary research includes reviewing corporate annual reports, databases of relevant official authorities, as well as the exclusive database established by Frost & Sullivan over the past decades. The market projections in the Frost & Sullivan Report are based on the following key assumptions during the forecast period: (i) the social, economic and political conditions in global and China markets discussed will remain stable during the forecast period, (ii) government policies on global and China markets will remain consistent during the forecast period, and (iii) global and China markets will be driven by the factors which are stated in the Frost & Sullivan Report.

Except as otherwise noted, all the data and forecasts contained in this section are derived from the Frost & Sullivan Report. The commissioned report has been prepared by Frost & Sullivan independently without the influence from the Company or other interested parties. Our Directors confirm that, they have exercised reasonable care in selecting and identifying the sources of information used in this section (which are extracted from the Frost & Sullivan Report), compiling, extracting and reproducing the information, and ensuring no material omission of the information, and to the best of their knowledge, after making reasonable inquiries, there is no material and adverse change in the market information since the date of the Frost & Sullivan Report, which may qualify, contradict or have an impact on the information in this section.

We are subject to various PRC laws and regulations that may impact both our business operations and the Listing.

PRINCIPAL REGULATORY AUTHORITIES

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

MIIT

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

NDRC

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

MOFCOM

The main responsibilities of the MOFCOM include, among others: supervising and regulating the foreign investment activities nationwide, formulating foreign investment policies and organizing their implementation, approving the establishment of and changes in foreign-invested enterprises in accordance with applicable laws, formulating administrative measures and specific policies for outbound investment, and authorising, in accordance with the applicable laws, outbound investment by domestic enterprises.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

On December 29, 1993, the SCNPC issued the PRC Company Law, which was last amended on December 29, 2023, and implemented on July 1, 2024. The Company Law regulates the establishment, operation and management of corporate entities in China and classifies companies into limited liability companies and limited companies by shares. The major revisions made in the latest amendment of the Company Law include improvement of the system for the establishment and exit of companies, optimization of organizational structures of companies, improvement of capital system of companies, strengthening the responsibilities of the controlling shareholder and management staff, enhancing the social responsibilities of companies, etc.

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

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

Investment activities in the PRC by foreign investors are principally governed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"). The Negative List, which became effective on November 1, 2024, sets out special administrative measures in respect of the access of foreign investments in a centralized manner. Foreign investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List, while for foreign investments outside the Negative List, it shall be administered under the principle of equal treatment to domestic and foreign investment. As our business does not involve the fields specified in the Negative List, we are entitled to the same treatment as domestic enterprises.

LAWS AND REGULATIONS RELATING TO OUR PRODUCTS

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》) enacted by the SCNPC on February 22, 1993, and most recently amended and implemented on December 29, 2018, producers shall be responsible for the quality of their products. The product quality shall meet the following requirements: (i) no unreasonable dangers endangering the safety of persons and property; where there are national or industry standards ensuring the health and safety of persons and property, such standards must be complied with; (ii) the product shall possess the properties it is supposed to possess, except where the product's flaws in their properties are explicitly stated; and (iii) the product shall comply with the product standards stated on the product or its packaging, and meet the quality conditions as represented in product descriptions, physical samples, etc.

Regulations on Production Safety

According to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on June 29, 2002, last amended on June 10, 2021 and came into effect on September 1, 2021, production and business operation entities shall establish and perfect the system of responsibility for production safety and rules and regulations for production safety for all employees, meet the safety production conditions stipulated by laws and regulations, national standards or industry standards, and those who do not meet the production conditions are not allowed to engage in production and business activities. The producers and operators who violate the Work Safety Law of the People's Republic of China may result in imposition of penalties, suspension of operation, an order to cease operation, or even criminal liability if causes serious consequences.

LAWS AND REGULATIONS ON DATA SECURITY AND CYBER SECURITY

Regulations on Data Security

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**"), which came into effect on September 1, 2021. The Data Security Law introduces a data classification and hierarchical protection system based on the materiality of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of persons or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used. It also provides for a security review procedure for the data activities which may affect national security. Violation of Data Security Law may subject the relevant entities or individuals to warnings, fines, suspension of operations, revocation of permits or business licenses, or even criminal liabilities.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), promulgated by the SCNPC on August 20, 2021 and effective as of November 1, 2021, stipulates the scope of personal information and establishes rules for processing personal information onshore and offshore. The Personal Information

Protection Law sets forth certain specific personal information protection requirements, including but not limited to more specific information and consent requirements in various contexts, strengthened and categorized obligations of personal information processors, and more limitations and rules on the process of personal information.

According to the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》, the "**Security Assessment Measures**"), which was promulgated by the Cyberspace Administration of China (國家互聯網信息辦公室, the "**CAC**") on July 7, 2022 and coming into effect on September 1, 2022, data processors shall apply for cross-border security assessment with the CAC through the local provincial-level cyberspace administration department under any of the following circumstances: (i) cross-border transfer of important data by data processors; (ii) cross-border transfer of personal information by critical information infrastructure operators and data processors that process more than 1 million personal information; (iii) cross-border transfer of personal information by data processors that have made cross-border transfer of personal information of 100,000 people or sensitive personal information of 10,000 people cumulatively since January 1 of the previous year; and (iv) other circumstances where an application for security assessment of cross-border data transfer is required as prescribed by the CAC.

On March 22, 2024, the CAC issued the Provisions on the Promotion and Regulation of Cross-border Data Flows (《促進和規範數據跨境流動規定》). According to these provisions, the transfer of data collected and generated during specific activities such as international trade, cross-border transport, transnational manufacturing, and marketing, which does not involve personal information or important data, is exempted from the requirements to undergo data export security assessment, the need to enter into standard contracts for the transfer of personal information abroad, or obtaining personal information protection certification. These provisions also stipulate that, if a data processor, who is not a critical information infrastructure operator, transfers personal information of less than 100,000 individuals cumulatively as of January 1 of the current year, it may be exempted from the requirement to undergo a data export security assessment, entering into a standard contract for transferring personal information abroad, or obtaining personal information protection certification.

Regulations on Cyber Security

The Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cyber Security Law**"), which was promulgated on November 7, 2016 and came into effect on June 1, 2017, requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cyber security events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data.

On September 24, 2024, the State Council promulgated the Regulations on the Security Management of Network Data (《網絡數據安全管理條例》) (the "**Network Data Regulations**"), which became effective on January 1, 2025. The Network Data Regulations provide detailed implementing rules and guidance on various aspects of data compliance requirements under the existing data protection framework pillars of the PRC Cybersecurity Law, the PRC Data Security Law and the PRC Personal Information Protection Law. The Network Data Regulations supplement the requirements on several aspects of the PRC Personal Information Protection Law regarding notification, consent, and the exercise of personal rights, provide more detail on compliance requirements for processors of important data, and also provide more guidance to streamline cross-border data transfers.

Furthermore, on December 8, 2022, the MIIT promulgated the Administrative Measures for Data Security in Industry and Information Technology Sectors (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》) (the "**Data Security Measures**"), which became effective on January 1, 2023. The Data Security Measures apply to data in the industry and information technology sectors, including industrial data, telecom data and radio data (the "**Industry and IT Data**"). The Data Security Measures divide the Industry and IT Data into three categories based on the potential harm to national security, public interests and legal interests of individuals in the event of unauthorized alteration, destruction, leakage or illegal acquisition or use of such data: ordinary data, important data and core data. The processing of important data and core data is subject to certain filing and reporting obligations. The Industry and IT Data processors are also required by the Data Security Measures to establish a full life-circle data security management systems, designate data security management personnel, reasonably manage operation authorization and formulate responses plan and conduct emergency drills and relevant trainings.

REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS AND TECHNOLOGY

Regulations on Foreign Trade

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) (the "**Foreign Trade Law**") promulgated by the SCNPC on May 12, 1994, and most recently amended on December 27, 2025, and came into effect on March 1, 2026 and the PRC Regulations on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, most recently amended on March 10, 2024, and came into effect on May 1, 2024, both stipulated that the import and export of goods and technologies to and from the PRC are free, unless otherwise provided in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations. The amended law grants the PRC government the authority to allow the free import and export of commodities and technologies, except as specified otherwise by other laws and administrative regulations.

Regulations on Customs

In addition, according to the Customs Law of the PRC (《中華人民共和國海關法》) enacted by the SCNPC on January 22, 1987, and subsequently amended on April 29, 2021, which became effective from the same date, the Customs of the PRC is vested with the authority for the supervision and administration of entry and exit points. Under the framework of pertinent laws and administrative regulations, the Customs exercises its jurisdiction over various aspects, including the inspection and regulation of vehicles, goods, luggage, postal articles, and other items entering and departing the country. This mandate encompasses the assessment and collection of customs duties, taxes, and fees, as well as the prevention and detection of smuggling activities, compilation of customs statistics, and execution of related customs procedures.

Furthermore, as delineated in the Regulations of PRC Customs on Administration of Recordation of 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 implemented from January 1, 2022, the term "customs declaration entities" pertains to consignees and consignors of import and export goods, as well as customs declaration enterprises officially registered with the customs authorities. Entities seeking recordation are required to hold valid market entity qualifications. Specifically, importers and exporters must also possess records as foreign trade operators. The recordation status of customs declaration entities is of a permanent nature, while temporary recordation holds a validity period of one year. Upon expiration, entities are entitled to reapply for recordation.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Regulations on Environmental Protection

Pursuant to the PRC Environmental Protection Law (《中華人民共和國環境保護法》), promulgated on December 26, 1989 and came into effect on the same day, last amended on April 24, 2014 and came into effect on January 1, 2015, the waste discharge licensing system has been implemented in the PRC and entities that discharge wastes shall obtain a Waste Discharge License (排污許可證). Furthermore, facilities for the prevention and control of pollution at a construction project shall be designed, constructed and put into operation simultaneously with the major construction works of the construction project. Environmental protection authorities impose various administrative penalties on persons or enterprises in violation of the Environmental Protection Law. Such penalties include warnings, fines, orders to rectify within a prescribed period, orders to cease construction, orders to restrict or suspend production, orders to make recovery, orders to disclose relevant information or make an announcement, imposition of administrative action against relevant responsible persons, and orders to shut down enterprises. In addition, environmental organizations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare.

According to the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on October 28, 2002, and subsequently amended on July 2, 2016, and December 29, 2018, for construction projects that have an impact on the environment, entities shall prepare an environmental impact report, report form or registration form in accordance with the severity of the impact that the project may have on the environment.

Regulations on Pollutant Discharge Permit

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 of the PRC (the "**MEE**") 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.

The State Council issued the Regulation on Pollutant Discharge Permit Administration (《排污許可管理條例》) on January 24, 2021 to further enhance the pollutant discharge administration. The administration on pollutant discharge units is divided into key management and simplified management pursuant to the amount of pollutant caused and discharged and the impact on the environment. Their view, decision and information disclosure of pollutant discharge licenses shall be handled through the national pollutant discharge license management information platform. The pollutant discharge license is valid for 5 years and the discharging units should apply for renewal 60 days before the expiry for continued pollutant discharge.

Pursuant to the Administrative Measures for Pollutant Discharge Permit (《排污許可管理辦法》) promulgated on April 1, 2024 by the MEE and became effective on July 1, 2024, enterprises and public institutions as well as other entities engaging in production and business operations included in a certain designated catalogue for pollutant discharge management shall apply for and obtain a pollutant discharge permit or complete the registration as a stationary pollution source within a prescribed time limit.

Regulations Relating to Fire Prevention

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, and last amended on April 29, 2021 and effective therefrom, the Department of Emergency Management under the State Council and the local people's governments at or above county level shall supervise and administer the matters of fire protection, while the fire control and rescue institutions of such people's governments shall be responsible for implementation. The design of fire control of the construction projects must comply with the national technical standards of fire control. If the design of fire control of a construction project has not been examined pursuant to the relevant laws or failed to pass the examination, the construction of such project is not allowed. If a completed construction project has not gone through the fire safety inspection or failed to satisfy the requirements of fire safety upon inspection, such project is not allowed to be put to use or business.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Regulations on Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》, the "**Copyright Law**") which was promulgated by the SCNPC on September 7, 1990 and last amended on November 11, 2020 and came into effect on June 1, 2021, copyright includes personal rights such as right of publication and right of authorship, as well as property rights such as reproduction rights and distribution rights. Works include, among others, computer software, works of fine art, drawings of engineering designs and product designs and other graphic works as well as model works. Except as otherwise provided by the Copyright Law, copying, distributing, performing, projecting, broadcasting, compiling or editing a work or disseminating the work to the public through information network without the permission of the copyright owner constitutes a copyright infringement. The infringer shall, bear civil liabilities such as ceasing the infringement, eliminating the impacts, making an apology, and compensating for the loss.

Pursuant to the Regulations on Computer Software Protection (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated on February 20, 2002, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations.

Regulations on Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) was promulgated by the SCNPC on August 23, 1982, implemented on March 1, 1983, and most recently revised on April 23, 2019, with implementation from November 1, 2019. The Regulations for the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) were issued by the State Council on August 3, 2002, implemented on September 15, 2002, and most recently revised on April 29, 2014, with implementation from May 1, 2014. According to these laws and regulations, the validity period of a registered trademark is 10 years from the date of approval. To continue using a trademark upon the expiry of its validity, renewal procedures must be completed in accordance with the provisions within the 12 months preceding expiration. If renewal procedures are not completed within this period, a six-month extension is allowed. Each renewal extends the validity period for 10 years, starting from the day following the expiration of the last validity period. Trademark registrants may authorize others to use their registered trademarks by signing trademark licensing agreements.

Regulations on Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the SCNPC on March 12, 1984, and last amended on October 17, 2020 and came into effect on June 1, 2021 and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), promulgated by the State Council on January 19, 1985, and last amended on December 11, 2023 and came into effect on January 20, 2024, there are three types of patents in the PRC, which are invention patents, utility model patents and design patents. The protection period of a patent right for invention patents shall be 20 years, the protection period of a patent right for utility model patents shall be 10 years, and the protection period of design patent right is 15 years, all commencing from the filing date.

Regulations on Domain Names

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

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income tax ("EIT")

Pursuant to the EIT Law promulgated by the SCNPC on March 16, 2007 and last amended on December 29, 2018 and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and became effective on January 20, 2025, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign countries (regions) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State. High and new technology enterprises which are supported by the State may enjoy a reduced EIT rate of 15%. In addition, an enterprise may enjoy an exemption of EIT for its income from the primary process of agricultural products.

Value-Added Tax

The major PRC laws and regulations governing value-added tax are the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》) (issued on December 13, 1993 by the State Council, came into effect on January 1, 1994, and last amended on November 19, 2017) and the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) (issued on December 18, 2008 by the Ministry of Finance of the PRC (the "**MOF**"), came into effect on the same day and last amended on October 28, 2011). According to the aforementioned regulations, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. The rate of VAT for sale of goods is 17% unless otherwise specified, such as the rate of VAT for sale of transportation is 11%. With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the STA issued the Notice on Adjusting Value-Added Tax

Rates (《關於調整增值稅稅率的通知》) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, which became effective on May 1, 2018. Subsequently, the MOF, the STA and the General Administration of Customs of the PRC jointly issued the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%. The SCNPC promulgated PRC Value-added Tax Law (《中華人民共和國增值稅法》) on December 25, 2024, which will came into effect on January 1, 2026. According to the PRC Value-added Tax Law, the VAT rate for general VAT taxpayers engaging in sale of goods, services, lease of tangible and movable goods or importation of goods was adjusted to 13%, the VAT rate for general VAT taxpayers engaging in, among others, the sale of transportation services, postal services, basic telecommunications services, construction services, the lease and sale of real properties, and the transfer of land use rights was adjusted to 9%. From the effective date of the PRC Value-added Tax Law, which will be January 1, 2026, the Interim Regulations on Value-added Tax of the PRC will be repealed.

LAWS AND REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WELFARE

Regulations on Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》) (the "**Labor Law**") (promulgated by the SCNPC on July 5, 1994, came into effect on January 1, 1995 and last amended on December 29, 2018), the Labor Contract Law (promulgated by the SCNPC on June 29, 2007 and amended on December 28, 2012 and came into effect on July 1, 2013), and the Implementation Rules of the Labor Contract Law (《中華人民共和國勞動合同法實施條例》) (issued by the State Council on September 18, 2008 and came into effect on the same day). According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abides by state standards and provide relevant education to its employees. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations.

Regulations on Social Insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), issued by the SCNPC on October 28, 2010 and amended on December 29, 2018, enterprises and institutions in the PRC shall provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, occupational injury insurance, medical insurance and other welfare plans. According to the Social Insurance Law of PRC, employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. For employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the relevant administrative department. Meanwhile, the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and amended on March 24, 2019 prescribes the details concerning the social insurance.

According to the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which was promulgated on July 31, 2025 and came into effect on September 1, 2025, any agreement between an employer and an employee, or any undertaking by the employee, purporting to waive statutory social insurance contributions shall be deemed void by the People's Court.

Regulations on Housing Provident Fund

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was implemented on April 3, 1999 and last amended on March 24, 2019, any newly established entity shall make deposit registration at the housing accumulation fund management center within 30 days as of its establishment. After that, the entity shall open a housing accumulation fund account for its employees in an entrusted bank. Within 30 days as of the date an employee is recruited, the entity shall make deposit registration at the housing accumulation fund management center and seal up the employee's housing accumulation fund account in the bank mentioned above within 30 days from termination of the employment relationship. Any entity that fails to make deposit registration of the housing accumulation fund or fails to open a housing accumulation fund account for its employees shall be ordered to complete the relevant procedures within a prescribed time limit. Any entity failing to complete the relevant procedure within the time limit will be fined RMB10,000 to RMB50,000. Any entity that fails to make payment of housing provident fund within the time limit or has a shortfall in payment of housing provident fund will be ordered to make the payment or make up the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE AND OVERSEAS INVESTMENT

Regulations Relating to Foreign Exchange

Pursuant to the Regulations on Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and came into effect on April 1, 1996, and last amended on August 5, 2008 and came into effect on the same date, and relevant regulations, there is no restriction on the recurring international payment and transfer, and the foreign exchange income and expenses of recurring items (such as goods trade, income and expenses of service trade and payments of interest and dividends) should be on true and legal transactions basis, and can be directly undertaken at the bank with true and valid transaction documents. Foreign exchange income and expenses of capital items (such as direct equity investment and loans) shall comply with the provisions of relevant laws and regulations, and where required for approval or registration by relevant regulations from foreign exchange administration authorities, such approval or registration shall be filed. Foreign exchange and settlement funds of capital items shall be used for purposes as stipulated in relevant competent departments and foreign exchange administration authorities.

According to the Notice on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014 and as amended by the SAFE Circular 16 (defined below), the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

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

On June 9, 2016, SAFE issued the Notice of the SAFE 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 came into effect on the same day and was amended by the SAFE Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment on December 4, 2023. The SAFE Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds, and the corresponding RMB capital converted from foreign exchange may be used to extend loans to related parties or repay inter-company loans (including advances by third parties). However, there remain substantial uncertainties with respect to SAFE Circular 16's interpretation and implementation in practice.

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

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

Regulations on Overseas Direct Investment

Pursuant to the Regulations on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) issued by the SAFE on July 13, 2009 and came into effect on August 1, 2009, upon obtaining approval for overseas investment, an enterprise in mainland China shall apply for foreign exchange registration for its overseas direct investments. According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for

Direct Investment, the administrative approval for foreign exchange registration approval under overseas direct investment has been canceled, and the banks are entitled to review and carry out foreign exchange registration under overseas direct investment directly.

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

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, investors engaging in overseas investment are required to complete formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection.

LAWS AND REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING

On February 17, 2023, the CSRC released the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**"), and five supporting guidelines, which came into effect on March 31, 2023. According to the Trial Measures, PRC domestic companies that seek overseas listing and offering, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC.

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

LAWS AND REGULATIONS RELATING TO FULL CIRCULATION OF H SHARES

"Full circulation" means listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company (the "**H-share listed company**"), including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC announced the Guidelines for the "Full Circulation" Program for

Domestic Unlisted Shares of H-share Listed Companies (Announcement of the CSRC [2019] No. 22) (《H股公司境內未上市股份申請"全流通"業務指引》(中國證券監督管理委員會公告[2019]22號)) (the "**Guidelines for the 'Full Circulation'**"), which was amended on August 10, 2023.

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

According to the Trial Measures, the H-shares "full circulation" should comply with the relevant regulations of the CSRC, and the domestic company should be entrusted to file with the CSRC.

OVERVIEW

The history of our Group traces back to the establishment of Galaxis Wuxi, currently being one of the subsidiaries of our Company, in June 2014, by Dr. GU. Dr. GU has over 25 years of experience in the logistics technology industry. For details of the biography of Dr. GU, see "Directors and Senior Management."

MILESTONES

The following table summarizes various key milestones in our corporate and business development.

Year	Milestone
2014	Commenced business operations through establishment of Galaxis Wuxi.
	Launched our first generation four-way tote MSRs.
2015	Initiated mass production of our four-way tote MSRs.
2016	Relocated our headquarter to Jiaxing, Zhejiang.
2017	Acquired Hubei Galaxis Tongda Technology.
	Launched MK series high-speed lift and second generation four-way tote MSRs with variable forks.
2018	Launched high-speed lift HS series and third generation four-way tote MSRs with multiple levers.
2019	Commenced overseas business to expand our international market layout.
	Established AI research institute.
	Launched AMR series and Robot Control System (RCS).
2020	Gained CMMI Level 5 certification.
2021	Launched AMR series products with hybrid SLAM navigation.
2022	Launched four-way pallet MSRs.
	Launched VFR-CL Series ("Niu Mo Wang").
2023	Honored on "Hurun Global Cheetah Index 2023".
2024	Launched VFR-CC series ("Ju Ling Shen").
2025	Received the 2025 ESG Model Enterprise Award at the International Green Zero-Carbon Festival.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we had the following subsidiaries which we regarded as our major subsidiaries in terms of contribution to our business and financial performance during the Track Record Period. Except for Guangdong Galaxis Jiadi, in which our Company holds a 57% equity interest, all other major subsidiaries are wholly owned by our Company.

Name of company	Place of establishment	Principal business activities	Date of establishment and commencement of business
Galaxis Wuxi	PRC	R&D of tote/pallet robot and provision of subsystem planning solutions	June 23, 2014
Hubei Galaxis Tongda Technology	PRC	Sales of logistics robot and provision of services and R&D of software	January 16, 2009
Zhejiang Galaxis International Trade	PRC	Sales of logistics robot and provision of services	July 20, 2022
Guangdong Galaxis Jiadi	PRC	Sales of equipment and provision of services	December 31, 2021
Anhui Galaxis	PRC	R&D, production and sales of logistics robot and provision of services	March 1, 2022

MAJOR CORPORATE DEVELOPMENT AND SHAREHOLDING CHANGES

Establishment and Development of Galaxis Wuxi and Series A Financing

Galaxis Wuxi was established in the PRC as a limited liability company on June 23, 2014 with an initial registered capital of RMB10,000,000, which was held by Dr. GU as to 70% and Dr. YANG as to 30%. On August 23, 2014, Jiangsu Yueda Taihe Equity Investment Fund Center (L.P.) (江蘇悅達泰和股權投資基金中心(有限合夥)) ("**Yueda Taihe**"), Mali Venture Capital Co., Ltd. (馬力創業投資有限公司) ("**Mali Venture Capital**"), Beijing Cezheng Investment Management Co., Ltd. (北京策正投資管理有限公司) ("**Cezheng Capital**"), and Mr. ZHANG Shun (張順) subscribed for a total of RMB3,666,666 registered capital of Galaxis Wuxi at a total consideration of RMB22,000,000, which was determined based on arm's length negotiation (the "**Series A Financing**"). After series of equity transfers, on December 26, 2014, Galaxis Wuxi had a registered capital of RMB13,666,666 which was held by (i) Jiaxing Jiumai Investment Co., Ltd. (嘉興九麥投資有限公司) ("**Jiaxing Jiumai**"); (ii) Jiaxing Gaile Investment Co., Ltd. (嘉興蓋勒投資有限公司) ("**Jiaxing Gaile**"); (iii) Yueda Taihe; (iv) Mali Venture Capital; (v) Cezheng Capital and (vi) Mr. ZHANG Shun, each as to 36.5854%, 36.5854%, 18.2927%, 4.8780%, 3.2927% and 0.3658%, respectively.

Pursuant to equity transfer agreements dated February 27, 2017, each of Jiaxing Jiumai, Jiaxing Gaile, Yueda Taihe, Mali Venture Capital, Cezheng Capital and Mr. ZHANG Shun transferred their entire equity interests in Galaxis Wuxi to our Company, at the consideration of RMB5,000,000, RMB5,000,000, RMB2,500,000, RMB666,666, RMB450,000 and RMB50,000, respectively, which was determined based on the then registered share capital of Galaxis Wuxi. Upon completion, Galaxis Wuxi was wholly owned by our Company.

Establishment and Early Development of our Company

Our Company was established in the PRC as a limited liability company on October 20, 2016 with an initial registered capital of RMB13,666,600 under the name of Zhejiang Galaxis Technology Co., Ltd. (浙江凱樂士科技有限公司), which was held by Jiaxing Jiumai, Jiaxing Gaile, Yueda Taihe, Mali Venture Capital, Cezheng Capital and Mr. ZHANG Shun, each as to 36.5855%, 36.5855%, 18.2928%, 4.8776%, 3.2927% and 0.3659%, respectively.

Pursuant to the shareholders' resolutions dated December 28, 2016, our registered capital increased from RMB13,666,600 to RMB13,666,666, and Mali Venture Capital agreed to subscribe for a registered share capital of RMB66 at the consideration of RMB66.

Series B Financing, 2017 Equity Swap and 2017 Equity Transfer

On April 10, 2017, Jiaxing Zhehua Summitview Investment Partnership (L.P.) (嘉興浙華武岳峰投資合夥企業(有限合夥)) ("**TopView Innovation**") subscribed for RMB3,416,667 registered capital of our Company at a total consideration of RMB67,500,000, which was determined based on arm's length negotiation (the "**Series B Financing**"). Upon completion, our registered capital was increased to RMB17,083,333.

On June 15, 2017, Jiaxing Jiumai (a company wholly owned by Dr. YANG) transferred RMB1,000,000 registered capital of our Company at nil consideration to Dr. GU due to shareholding adjustment arrangement between spouses.

With an aim to acquire the business of Hubei Galaxis Tongda Technology, our Company entered into the equity transfer agreement dated October 19, 2017 with Jointown Pharmaceutical Group Co., Ltd. (九州通醫藥集團股份有限公司) ("**Jointown Pharmaceutical**") (a company listed on the Shanghai Stock Exchange (stock code: 600998)) and the then remaining shareholders of Hubei Jinzhou Tongda (Dr. GU, Mr. LIAO Xianjun (廖獻軍) and Ms. MA Lan). Our Company agreed to acquire, and Jointown Pharmaceutical, Dr. GU, Mr. LIAO Xianjun and Ms. MA Lan, agreed to transfer to our Company respectively, 70%, 25%, 2.5% and 2.5% of Hubei Galaxis Tongda Technology's equity interest (the "**Acquisition**"). The consideration for the Acquisition was fulfilled through newly issued registered capital of the Company and accordingly, additional registered capital of RMB1,346,402, RMB480,872, RMB48,087 and RMB48,087 of our Company was subscribed by Jointown Pharmaceutical, Dr. GU, Mr. LIAO Xianjun and Ms. MA Lan, respectively, accounting for a total of approximately 10.12% equity interests in our Company immediately after the Acquisition, which was fully completed in October 2017, in tandem with the closing of the Acquisition (the "**2017 Equity Swap**"). The consideration was determined based on the RMB38 million valuation of Hubei Galaxis Tongda Technology appraised by an Independent Third Party valuer, and the pre-money valuation of RMB337.5 million of our Company immediately before the Acquisition. Our PRC Legal Advisors have confirmed that the Acquisition has been properly and legally completed and settled, and our Company has obtained all required approvals in compliance with applicable laws.

On December 15, 2017, Yueda Taihe transferred RMB1,900,678 registered capital of our Company at consideration of RMB46,000,000 to Suzhou Huidao M&A Investment Fund Partnership (Limited Partnership) (蘇州匯道併購投資基金合夥企業(有限合夥)) ("**Suzhou Huidao**") (the "**2017 Equity Transfer**"), which was determined based on arm's length negotiation.

Equity Transfers in 2018

On September 18, 2018, Jiaxing Rongming Investment Partnership Enterprise (Limited Partnership) (嘉興融銘投資合夥企業(有限合夥)) ("**Jiaxing Rongming**"), Jiaxing Huige Investment Partnership Enterprise (Limited Partnership) (嘉興匯戈投資合夥企業(有限合夥)) ("**Jiaxing Huige**") entered into an equity transfer agreement with our Company and then existing shareholders of our Company, pursuant to which, (1) Jiaxing Gaile transferred RMB1,900,678 registered capital of our Company at nil consideration to Jiaxing Rongming; (2) Jiaxing Gaile transferred RMB950,339 registered capital of our Company at nil consideration to Jiaxing Huige; (3) Jiaxing Jiumai transferred RMB950,339 registered capital of our Company at nil consideration to Jiaxing Rongming; (4) Jiaxing Jiumai transferred RMB950,339 registered capital of our Company at nil consideration to Jiaxing Huige; and (5) Jiaxing Jiumai transferred RMB950,339 registered capital of our Company at nil consideration to Dr. GU. The aforementioned equity transfers were either due to internal shareholding adjustment or for the purpose of the implementation of employee incentive plans.

Following a series of internal adjustment of management and employee shareholding platforms of the Company, as of the Latest Practicable Date, Jiaxing Huige served only as a management shareholding platform. Jiaxing Jiumai is the general partner of Jiaxing Huige, holding 1.00% partnership interest in Jiaxing Huige. Jiaxing Huige had three limited partners, including (i) Dr. GU, holding approximately 62.50% partnership interests; (ii) Dr. YANG, holding approximately 24.00% partnership interests; and (iii) Mr. SHEN Lu, holding approximately 12.50% partnership interests. As Jiaxing Huige serves as a management shareholding platform, all the Shares held by Jiaxing Huige are not subject to Restricted Share Incentive Scheme. In contrast, part of the Shares held by Jiaxing Rongming were subject to Restricted Share Incentive Scheme. For details, see "— Our Employee Incentive Platforms and Restricted Share Incentive Scheme" below.

Series C Financing in 2018

On October 8, 2018, Suzhou Industrial Park Oriza PE No. 2 Equity Investment Fund Partnership (L.P.) (蘇州工業園區元禾重元貳號股權投資基金合夥企業(有限合夥)) ("**Oriza PE**"), S.F. Technology Co., Ltd. (順豐科技有限公司) ("**S.F. Technology**"), Suzhou Fangguang II Venture Capital Partnership (L.P.) (蘇州方廣二期創業投資合夥企業(有限合夥)) ("**FG Venture**"), Kunshan Xucun Investment Center (Limited Partnership) (昆山旭村投資中心(有限合夥)) ("**Xucun Investment**"), Wanlin International Holding Co., Ltd. (萬林國際控股有限公司) ("**Wanlin International**") and Chengdu Huagai Tiantou Venture Investment Center (L.P.) (成都華蓋天投創業投資中心(有限合夥)) ("**Huagai Tiantou**") subscribed for RMB570,203.43 registered capital at consideration of RMB30,000,000, RMB2,851,017.15 registered capital at consideration of RMB120,000,000, RMB380,135.62 registered capital at consideration of RMB20,000,000, RMB380,135.62 registered capital at consideration of RMB20,000,000, RMB190,067.81 registered capital at consideration of RMB10,000,000, and RMB380,135.62 registered capital at consideration of RMB20,000,000, respectively (the "**Series C Financing**"), which was determined based on arm's length negotiation. Upon completion, our registered capital was increased to RMB23,758,476.25.

Series D Financing in 2020 and 2020 First Equity Transfers

On April 24, 2020, CICC Gongying Qijiang (Shanghai) Kechuang Equity Investment Fund Partnership (L.P.) (中金共赢啟江(上海)科創股權投資基金合夥企業(有限合夥)) ("**Qijiang**"), Oriza PE, Wuxi Sumin Huixin Venture Capital Partnership Enterprise (Limited Partnership) (無錫蘇民匯鑫創業投資合夥企業(有限合夥)) ("**Sumin Huixin**"), Jiangsu Jiequan Huajie Xinnuo Investment Enterprise (Limited Partnership) (江蘇疌泉華傑信諾投資企業(有限合夥)) ("**Jiequan Xinnuo**"), Huagai Tiantou and Fuzhou Economic and Technological Development Zone Xingrui Yongying Equity Investment Partnership (L.P.) (福州經濟技術開發區興睿永瀛股權投資合夥企業(有限合夥)) ("**Xingrui Yongying**") subscribed for RMB2,096,336.140 registered capital at consideration of RMB150,000,000, RMB545,047.396 registered capital at consideration of RMB39,000,000, RMB153,731.317 registered capital at consideration of RMB11,000,000, RMB419,267.228 registered capital at consideration of RMB30,000,000, RMB279,511.485 registered capital at consideration of RMB20,000,000, and RMB698,778.713 registered capital at consideration of RMB50,000,000, which was determined based on arm's length negotiation (the "**Series D Financing**"). Upon completion, our registered capital was increased to RMB27,951,148.529.

At the same time, pursuant to a series of equity transfer agreements dated April 24, 2020, (i) TopView Innovation agreed to transfer RMB1,324,001.772 registered capital to Qilu (Xiamen) Equity Investment Partnership (Limited Partnership) (啟鷺(廈門)股權投資合夥企業(有限合夥)) ("**Qilu**") at consideration of RMB90,000,000; (ii) Dr. GU agreed to transfer RMB349,389.357 registered capital to Oriza PE at consideration of RMB25,000,000; (iii) Mr. LIAO Xianjun agreed to transfer RMB48,087 registered capital to Oriza PE at consideration of RMB3,440,788.843; (iv) Mr. ZHANG Shun agreed to transfer RMB50,000 registered capital to Jiaxing Gencheng Equity Investment Partnership Enterprise (Limited Partnership) (嘉興根誠股權投資合夥企業(有限合夥)) ("**Jiaxing Gencheng**") at consideration of RMB3,577,670.517; (v) Cezheng Capital agreed to transfer RMB3,107.182 registered capital to Jiaxing Gencheng at consideration of RMB222,329.483; (vi) Cezheng Capital agreed to transfer RMB226,404.303 registered capital to Mr. HUANG Hong (黃宏) at consideration of RMB16,200,000; (vii) Cezheng Capital agreed to transfer RMB220,488.515 registered capital to Huagai Taitou at consideration of RMB15,776,705.166; (viii) Yueda Taihe agreed to transfer RMB139,755.743 registered capital to Ningbo Qingkong Huiqing Zhide Equity Investment Center (Limited Partnership) (寧波清控匯清智德股權投資中心(有限合夥)) ("**Ningbo Qingkong**") at consideration of RMB10,000,000; (ix) TopView Innovation agreed to transfer RMB139,755.743 registered capital to Xiamen Delta Xinshi Venture Capital Partnership (L.P.) (廈門達泰芯石創業投資合夥企業(有限合夥)) ("**Xiamen Delta**") at consideration of RMB10,000,000; and (x) Dr. GU agreed to transfer RMB125,780.168 registered capital to Sumin Huixin at consideration of RMB9,000,000 (collectively, the "**2020 First Equity Transfers**").

Series D+ Financing in 2020 and 2020 Second Equity Transfers

On October 29, 2020, Shenzhen Zhaoguang Investment Co., Ltd. (深圳市招廣投資有限公司, currently known as China Merchants Advanced Technology Development (Shenzhen) Co., Ltd. (招商局先進技術開發(深圳)有限公司)) ("**China Merchants Advanced Technology**"), Guangdong Three Stage Investment Co., Ltd. (廣東三階投資有限公司) ("**Guangdong Three Stage**") and Suzhou Gu Yu Ding Ruo Equity Investment Management Partnership Enterprise (Limited Partnership) (蘇州古玉鼎若股權投資管理合夥企業(有限合夥)) ("**Suzhou Guyu**"), subscribed for RMB2,182,851.599 registered capital at consideration of RMB164,000,000, RMB625,573.324 registered capital at consideration of RMB47,000,000, and RMB266,201.415 registered capital at consideration of RMB20,000,000 respectively, which was determined based on arm's length negotiation (the "**Series D+ Financing**"). Upon completion, our registered capital was increased to RMB31,025,774.867.

At the same time, pursuant to a series of equity transfers dated October 29, 2020, (i) Mali Venture Capital agreed to transfer RMB666,666 registered capital to Beijing Mali Enterprise Management Co., Ltd. (北京馬力企業管理有限公司) ("**Beijing Mali**") at nominal consideration due to internal transfer arrangement, (ii) Yueda Taihe agreed to transfer RMB104,816.807 registered capital to Xiamen Delta at consideration of RMB7,500,000, (iii) Yueda Taihe agreed to transfer RMB104,816.807 registered capital to Foshan Delta Venture Capital Center (L.P.) (佛山達泰創業投資中心(有限合夥)) ("**Foshan Delta**") at consideration of RMB7,500,000, (iv) Yueda Taihe agreed to transfer RMB69,877.871 registered capital to Xiamen Junshi Hantuo Venture Capital Partnership (Limited Partnership) (廈門鈞石翰拓創業投資合夥企業(有限合夥)) ("**Xiamen Junshi**") at consideration of RMB5,000,000, and (v) Yueda Taihe agreed to transfer RMB180,054.772 registered capital to Suzhou Hengtong Delta Big Data Industry Fund Partnership (Limited Partnership) (蘇州亨通達泰大數據產業基金合夥企業(有限合夥)) ("**Suzhou Delta**") at consideration of RMB12,883,533 ((ii) to (v), collectively, the "**2020 Second Equity Transfers**", together with 2020 First Equity Transfers, the "**2020 Equity Transfers**").

Equity Transfer in 2021

On April 25, 2021, Guangdong Three Stage transferred RMB625,573.324 registered capital of our Company to Guangzhou Dashen Investment Partnership Enterprise (Limited Partnership) (廣州大參投資合夥有限企業(有限合夥)) ("**Guangzhou Dashen**") at a consideration of RMB47,000,000, which was determined based on arm's length negotiation (the "**2021 Equity Transfer**").

Conversion into a Joint Stock Company in 2021

On May 28, 2021, our Company convened a general meeting, and passed a resolution approving the conversion of our Company from a limited liability company into a joint stock company. On July 13, 2021, we obtained a new business license and were converted into a joint stock company with limited liabilities with 360,000,000 Shares in a nominal value of RMB1.00 each, with our Company name changed to "Zhejiang Galaxis Technology Group Co., Ltd. (浙江凱樂士科技集團股份有限公司)."

Series E Financing in 2022

On November 1, 2022, Shenzhen Linghui Cornerstone Equity Investment Fund Management Partnership Enterprise (Limited Partnership) (深圳市領匯基石股權投資基金合夥企業(有限合夥)) ("**Linghui Cornerstone**"), Anhui Cornerstone Intelligent Manufacturing Phase III Fund Partnership Enterprise (Limited Partnership) (安徽基石智能製造三期基金合夥企業(有限合夥)) ("**Anhui Cornerstone**"), Wuxi Industrial Development Service Trade Investment Fund Partnership (L.P.) (無錫產發服務貿易投資基金合夥企業(有限合夥)) ("**Wuxi Industrial Development**"), Yangtze River Pharmaceutical (Group) Co., Ltd. (揚子江藥業集團有限公司) ("**Yangtze River Pharmaceutical**"), Jiaxing Haiju Venture Capital Partnership (Limited Partnership) (嘉興海聚創業投資合夥企業(有限合夥)) ("**Haiju Venture Capital**"), Suzhou Jinxin Entrepreneurship Investment Center (Limited Partnership) (蘇州金信創業投資中心(有限合夥)) ("**Suzhou Jinxin**", together with Ningbo Qingkong, "**Ruida Innovation**"), Zhejiang Nanhu Innovation Capital Management Co., Ltd. (浙江南湖創新資本管理有限公司) ("**Nanhu Innovation Capital**"), Jiaxing Science and Technology City High Tech Industry Investment Co., Ltd. (嘉興科技城高新技術產業投資有限公司) ("**Science and Technology City High Tech**") and Hainan Xinglian Innovation No.1 Equity Investment Partnership (Limited Partnership) (海南興鏈創新壹號股權投資合夥企業(有限合夥)) ("**Hainan Risinglink**") subscribed for 5,586,939 Shares at consideration of RMB50,000,000, 5,586,939 Shares at consideration of RMB50,000,000, 5,586,939 Shares at consideration of RMB50,000,000, 5,251,723 Shares at consideration of RMB47,000,000, 3,709,727 Shares at consideration of RMB33,200,000, 1,676,082 Shares at consideration of RMB15,000,000, 1,676,082 Shares at consideration of RMB15,000,000, 1,676,082 Shares at consideration of RMB15,000,000, and 335,216 Shares at consideration of RMB3,000,000 respectively, which was determined based on arm's length negotiation (the "**Series E Financing**"). Upon completion, our total issued Share capital was increased to 391,085,729 Shares.

Share Transfer in 2023

On July 26, 2023, Xingrui Yongying transferred 4,966,476 Shares to Jiaxing Nanhu Jiaxing Hexin Equity Investment Partnership (Limited Partnership) (嘉興南湖嘉新創禾芯股權投資合夥企業(有限合夥)) ("**Nanhu Jiaxing**") at a consideration of RMB40,000,000, which was determined based on arm's length negotiation (the "**2023 Share Transfer**").

Share Transfers in 2025

On June 11, 2025, Xingrui Yongying transferred 3,141,804 Shares to Jiaxing Yukai Venture Capital Partnership Enterprise (Limited Partnership) (嘉興渝凱創業投資合夥企業(有限合夥)) ("**Jiaxing Yukai**") at a consideration of RMB19,682,180.22, which was determined based on arm's length negotiation. On the same date, Foshan Delta transferred 1,216,080 Shares to Shanghai Zhiyoumaite Management Consulting Partnership Enterprise (Limited Partnership) (上海智優邁特管理諮詢合夥企業(有限合夥)) ("**Shanghai Zhiyoumaite**") at a consideration of RMB7,500,000, which was determined based on arm's length negotiation (collectively, the "**2025 Share Transfers**").

PRE-IPO INVESTMENTS

The following table summarizes the key terms of our Pre-IPO Investments:

	Series A Financing	Series B Financing	2017 Equity Swap	2017 Equity Transfer	Series C Financing	Series D Financing	2020 First Equity Transfers	Series D+ Financing	2020 Second Equity Transfers	2021 Equity Transfer	Series E Financing	2023 Share Transfer	2025 Share Transfers
Date of investment agreement(s)	August 23, 2014	April 10, 2017	October 19, 2017	December 15, 2017	October 8, 2018	April 24, 2020	April 24, 2020	October 29, 2020	October 29, 2020	April 25, 2021	November 1, 2022	July 26, 2023	June 11, 2025
Subscription method	Equity subscription	Equity subscription	Equity swap	Equity transfer	Equity subscription	Equity subscription	Equity transfer	Equity subscription	Equity transfer	Equity transfer	Share subscription	Share transfer	Share transfer
Date of full settlement of consideration	May 12, 2015	May 22, 2017	October 19, 2017	December 25, 2017	November 9, 2018	May 7, 2020	May 31, 2020	October 30, 2020	September 10, 2021	December 18, 2024	November 18, 2022	September 1, 2023	June 16, 2025
Approximate cost per Share(1)	RMB0.52	RMB1.70	RMB1.70	RMB2.09	RMB3.63 and RMB4.53	RMB6.17	RMB5.86 and RMB6.17	RMB6.47	RMB6.17(4)	RMB6.48	RMB8.95	RMB8.05(5)	RMB6.17 and RMB6.26(6)
Amount of registered capital or Shares subscribed for/acquired	RMB3,666,666	RMB3,416,667	RMB1,923,448	RMB1,900,678	RMB4,751,695.25	RMB4,192,672.279	RMB2,626,769.783	RMB3,074,626.338	RMB459,566.257	RMB625,573.324	31,085,729 Shares	4,966,476 Shares	3,141,804 Shares
Amount of consideration paid	RMB22,000,000	RMB67,500,000	Equivalent of RMB38 million	RMB46,000,000	RMB220,000,000	RMB300,000,000	RMB183,217,494.009	RMB231,000,000	RMB32,883,533	RMB47,000,000	RMB278,200,000	RMB40,000,000	RMB27,182,180.22
Discount to the Offer Price(2)	96.80%	89.53%	89.53%	87.13%	77.65% and 72.10%	62.00%	63.91% and 62.00%	60.09%	62.00%	60.09%	44.88%	50.42%	62.00% and 61.45%
Post-money valuation of our Company(3)	RMB82.0 million	RMB337.5 million	RMB375.5 million	N/A	RMB1.25 billion	RMB2.0 billion	N/A	RMB2.33 billion	N/A	N/A	RMB3.5 billion	N/A	N/A

	Series A Financing	Series B Financing	2017 Equity Swap	2017 Equity Transfer	Series C Financing	Series D Financing	2020 First Equity Transfers	Series D+ Financing	2020 Second Equity Transfers	2021 Equity Transfer	Series E Financing	2023 Share Transfer	2025 Share Transfers
Basis of determination of the consideration .	The considerations for each round of the Pre-IPO Investments were determined based on arm's length negotiation among the respective Pre-IPO Investors and our Group or the then existing Shareholders with reference to, among others, the timing of the investments/equity transfers, the original acquisition cost per Share (if applicable), the operation of our business, the financial performance of our Group, and the prospects of our business.												
Lock-up period . .	Pursuant to the applicable PRC laws, within the 12 months following the Listing, all existing Shareholders (including the Pre-IPO Investors) of our Company could not dispose of any of the Shares held by them.												
Strategic benefits to our Company . .	We are of the view that our Company can benefit from the investments by the Pre-IPO Investors as their investments demonstrated their confidence in our Group's operations and served as an endorsement of our Group's performance and strengths. Our Company is also of the view that certain Pre-IPO Investors have good presence in our industry which can provide us with professional insights and advice on our Group's development and can help us achieve business synergies through enhanced business cooperation.												
Use of proceeds . .	We utilized the proceeds from the Pre-IPO Investments for the growth and expansion of our Company's business, the support of our R&D and production, and as our general working capital. As of the Latest Practicable Date, we had fully utilized all of the proceeds from our Pre-IPO Investments.												

Notes:

(1) Adjusted when applicable to reflect the conversion into a joint stock company of our Company.

(2) The discount to the Offer Price is calculated based on the foreign exchange rate prevailing on the Latest Practicable Date and the assumption that the Offer Price is HK$18.40 per H Share (being the mid-point of the indicative Offer Price range).

(3) Post-money valuation is calculated on the basis of (a) cost per Share; and (b) the total number of Shares of our Company upon completion of the relevant round of the Pre-IPO Investment, adjusted when applicable to reflect the joint stock company conversion. The increase of post-money valuation of the Company from Series A Financing to Series E Financing was mainly due to our increased product offerings, technology enhancement, revenue generation and business expansion, reflecting our Pre-IPO Investors' confidence in our future growth and prospects.

(4) The cost per Share of the 2020 Second Equity Transfers was lower than that of Series D+ Financing as the cost per Share was arrived after arm's length negotiation between the relevant transferors and transferees and the underlying Shares were acquired or subscribed by the transferors in previous rounds of Pre-IPO Investments with relatively lower costs.

(5) The cost per Share of the 2023 Share Transfer was lower than that of Series E Financing as the cost per Share was arrived after arm's length negotiation between the relevant transferor and transferee and the underlying Shares were acquired or subscribed by the transferor in a previous round of Pre-IPO Investments with a relatively lower cost.

(6) The cost per Share of the 2025 Share Transfers was lower than that of Series E Financing as the cost per Share was arrived after arm's length negotiation between the relevant transferors and transferees and the underlying Shares were acquired or subscribed by the transferors in previous rounds of Pre-IPO Investments with relatively lower costs.

Special rights of the Pre-IPO Investors

Pursuant to the currently effective shareholders' agreement, the Pre-IPO Investors had been granted certain special rights, including, among others, (i) the right to appoint Directors; (ii) pre-emptive right, (iii) right of first refusal and co-sale, (iv) anti-dilution adjustment rights, (v) redemption rights, (vi) liquidation references, and (vii) information and inspection rights. All such special rights granted to Pre-IPO Investors will be terminated on the day immediately prior to the Listing Date except that the redemption right has been terminated on the day prior to the first submission of the Listing application, but shall again become exercisable upon (i) the Company voluntarily withdrawing the Listing application; (ii) the regulatory authorities rejecting or refusing to approve the Listing application; or (iii) the earlier of December 31, 2026 or the expiry of 18 months following the first submission of the Listing application, if the Listing is not completed by that time.

Information Relating to Our Pre-IPO Investors

The details of our Pre-IPO Investors as of the Latest Practicable Date are set out below. To the best of our Company's knowledge, information and belief and having made all reasonable enquiries, as of the Latest Practicable Date, save for Qijiang, Qilu, S.F. Technology, Suzhou Huidao, China Merchants Advanced Technology, Jointown Pharmaceutical and Ms. MA Lan, all the other Pre-IPO Investors are Independent Third Parties.

Pre-IPO Investors

Backgrounds

Qijiang and Qilu ("**CICC Funds**")

Qijiang is a limited partnership established under the laws of the PRC and managed by its general partner, CICC Capital Operation Co., Ltd. (中金資本運營有限公司) ("**CICC Capital**"). CICC Capital is wholly owned by China International Capital Co., Ltd., a company listed both on the Stock Exchange (stock code: 03908) and the Shanghai Stock Exchange (stock code: 601995). As of the Latest Practicable Date, all 15 limited partners of Qijiang were Independent Third Parties, of which CICC Qirong (Xiamen) Equity Investment Fund Partnership (中金啟融(廈門)股權投資基金合夥企業) ("**Qirong**"), being the largest limited partner, held 54.54% partnership interest in it. Qirong is a limited partnership established under the laws of the PRC and managed by its general partner, CICC Capital. Yatou Yinxin (Xiamen) Investment Management Co., Ltd. (亞投銀欣(廈門)投資管理有限公司) ("**Yatou Yinxin**"), which is held by HUANG Jiangzhen (黃江圳) and ZHONG Zhen (仲貞) each as to 50%, both being Independent Third Parties, is the sole limited partner of Qirong. None of the remaining limited partners of Qijiang held 30% or more of the partnership interest. Qijiang is an institutional investor focusing on equity investment in high-tech enterprises with high growth potential.

Qilu is a limited partnership established under the laws of the PRC and also managed by its general partner, CICC Capital. As of the Latest Practicable Date, Qirong was the sole limited partner of Qilu. Qilu is also an institutional investor focusing on equity investment in high-tech enterprises with high growth potential.

S.F. Technology

S.F. Technology a limited liability company established in the PRC and wholly owned by Shenzhen SF Taisen Holdings (Group) Co., Ltd. (深圳順豐泰森控股(集團)有限公司), which is in turn controlled by S.F. Holding Co., Ltd. (順豐控股股份有限公司), a company listed on the Stock Exchange (stock code: 06936) and the Shenzhen Stock Exchange (stock code: 002352). S.F. Technology is mainly engaged in the fields of network technology and information technology services.

Suzhou Huidao

Suzhou Huidao is a limited partnership established under the laws of the PRC. Its general partner is Suzhou Ruihuang Equity Investment Management Limited Partnership (L.P.) (蘇州瑞璜股權投資管理合夥企業 (有限合夥)) ("**Suzhou Ruihuang**"), and Suzhou Ruihuang is ultimately controlled by LIN Zheying (林哲瑩). As of the Latest Practicable Date, Shenzhen Yuhui Management Consulting Co., Ltd. (深圳譽惠管理諮詢有限公司) was the sole limited partner of Suzhou Huidao, which held approximately 99.01% partnership interests therein and was wholly owned by Shenzhen SF Taisen Holdings (Group) Co., Ltd. (深圳順豐泰森控股(集團)有限公司). Suzhou Huidao is established to engage in equity investments in private companies.

Suzhou Guyu

Suzhou Guyu is a limited partnership established under the laws of the PRC and managed by its general partner Suzhou Gu Yu Hao Chen Equity Investment Management Partnership Enterprise (Limited Partnership) (蘇州古玉浩宸股權投資管理合夥企業(有限合夥)) ("**Gu Yu Hao Chen**"), which is ultimately controlled by LIN Zheying. Suzhou Gu Yu Ding Ruo Equity Investment Partnership Enterprise (Limited Partnership) (蘇州古玉鼎若股權投資合夥企業(有限合夥)), managed by Gu Yu Hao Chen, was the sole limited partner of Suzhou Guyu, which held approximately 99.6% partnership interests therein.

China Merchants Advanced Technology

China Merchants Advanced Technology is a limited company established in the PRC and wholly owned by China Merchants Innovation and Technology (Group) Co., Ltd. (招商局創新科技(集團)有限公司), which is in turn controlled by China Merchants Group Limited (招商局集團有限公司), a state-owned enterprise registered in PRC and regulated and directly managed by the State-owned Assets Supervision and Administration Commission of the State Council, PRC government. China Merchants Advanced Technology is engaged in the fields of technology services and development.

TopView Innovation

TopView Innovation is a limited partnership established under the laws of the PRC and managed by its general partner, Jiaxing Summitview Energy Environmental Investment Management Partnership Enterprise (L.P.) (嘉興武岳峰能環投資管理合夥企業(有限合夥)), the general partner of which is Jiaxing Summitview Investment Management Co., Ltd. (嘉興武岳峰投資管理有限公司), which is directly and indirectly owned by Mr. LI Feng (李峰), an Independent Third Party, as to 98%. As of the Latest Practicable Date, all 15 limited partners were Independent Third Parties, none of which held 30% or more of the partnership interest in TopView Innovation. TopView Innovation is an investment entity that mainly focuses on industrial investment and equity investment.

Oriza PE

Oriza PE is a limited partnership established under the laws of the PRC and managed by its general partner, Suzhou Industrial Park PE No. 2 Equity Investment Management Centre (蘇州工業園區重元貳號股權投資管理中心), which is ultimately controlled by Mr. YAO Hua (姚驊), an Independent Third Party. As of the Latest Practicable Date, all 23 limited partners of Oriza PE were Independent Third Parties, none of which held 30% or more of the partnership interest therein. Oriza PE is an institutional investor that primarily focuses on equity investment.

Jointown Pharmaceutical

Jointown Pharmaceutical is a limited liability company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 600998). As a technology-driven comprehensive service provider for the whole chain pharmaceutical industry, Jointown Pharmaceutical is based on the comprehensive health industry. Its main business comprises the following six parts: digital pharmaceutical distribution and supply chain business, general agency brand promotion business, pharmaceutical industrial self-production and OEM business, new retail and Ten-Thousand Store Alliance Plan business (C-end), medical health (C-end) and technology value-added services, and digital logistics technology and supply chain solutions. Jointown Pharmaceutical has taken the lead in the transformation and upgrading of the pharmaceutical distribution business from a traditional model to a digitalized, platform-centered and Internet-based model in the industry, and achieved significant results.

Anhui Cornerstone and Linghui Cornerstone (“**Cornerstone Funds**”)

Anhui Cornerstone is a limited partnership established under the laws of the PRC, the fund manager and general partner of which is Ma’anshan Happiness Cornerstone Investment Management Co., Ltd (馬鞍山幸福基石投資管理有限公司), the ultimate beneficial owner of which is Mr. ZHANG Wei (張維), an Independent Third Party. As of the Latest Practicable Date, all four limited partners of Anhui Cornerstone were Independent Third Parties, of which Anhui Sanzhong Yichuang Industrial Development Fund Co., Ltd. (安徽三重一創產業發展基金股份有限公司), a company ultimately controlled by Anhui Provincial People’s Government State-owned Assets Supervision and Administration Commission (安徽省人民政府國有資產監督管理委員會), being the largest limited partner, held 40.00% partnership interest in it. None of the remaining limited partners held 30% or more of the partnership interest therein.

Linghui Cornerstone is a limited partnership established under the laws of the PRC, the fund manager and general partner of which is Shenzhen Lingxin Cornerstone Equity Investment Fund Management Partnership Enterprise (L.P.) (深圳市領信基石股權投資基金管理合夥企業(有限合夥)) (“**Shenzhen Lingxin**”). Shenzhen Lingxin is a limited partnership established under the laws of the PRC and managed by its general partner, Urumqi Kunlun Cornerstone Venture Capital Co., Ltd. (烏魯木齊昆侖基石創業投資有限公司) (“**Kunlun Cornerstone**”), the ultimate beneficial owner of which is Mr. ZHANG Wei (張維). Urumqi Phoenix Equity Investment Management Limited Partnership (烏魯木齊鳳凰基石股權投資管理有限合夥企業) (“**Phoenix Management**”) is the sole limited partner of Shenzhen Lingxin. The general partner of Phoenix Management is Kunlun Cornerstone. Tibet Tianji Cornerstone Venture Capital Co., Ltd. (西藏天璣基石創業投資有限公司) (“**Tianji Cornerstone**”) is the largest limited partner of Phoenix Management, holding 51% partnership interest therein. Tianji Cornerstone is ultimately controlled by ZHANG Wei. None of the remaining limited partners of Phoenix Management holds 30% or more of the partnership interest. As of the Latest Practicable Date, all 21 limited partners of Linghui Cornerstone were Independent Third Parties, none of which held 30% or more of the partnership interest.

Anhui Cornerstone and Linghui Cornerstone are experienced in making equity investments in private companies.

Huagai Tiantou

Huagai Tiantou is a limited partnership established under the laws of the PRC and managed by its general partner, Ningbo Huagai Changqing Equity Investment Management Center (L.P.) (寧波華蓋長青股權投資管理中心(有限合夥)) (“**Ningbo Changqing**”) and the private fund manager Huagai Venture Capital Management (Beijing) Co., Ltd. (華蓋創業投資管理(北京)有限公司) (“**Huagai Venture**”). Ningbo Changqing’s executive partner is Huagai Venture, which held 99% partnership interest in it. Huagai Venture is a controlled subsidiary of Huagai Capital Co., Ltd. (華蓋資本有限責任公司) (“**Huagai Capital**”), which is jointly controlled by Mr. XU Xiaolin (許小林) and Mr. LU Binghui (鹿炳輝), both being Independent Third Parties. No limited partner of Ningbo

Changqing holds 30% or more of the partnership interest. As of the Latest Practicable Date, all 12 limited partners of Huagai Tiantou were Independent Third Parties, of which Ningbo Huagai Zhuoxin Equity Investment Partnership Enterprise (寧波華蓋卓信股權投資合夥企業) ("**Huagai Zhuoxin**"), being the largest limited partner, held 38.76% partnership interest in it. The general partner of Huagai Zhuoxin is Ningbo Changqing. Hangzhou Lutou Lihang Investment Management Partnership Enterprise (Limited Partnership) (杭州陸投禮航投資管理合夥企業(有限合夥)) held 76.4% partnership interest in Huagai Zhuoxin, which is ultimately and beneficially owned by HE Qun (何群) and WU Hao (吳昊), both being Independent Third Parties. None of the remaining limited partners of Huagai Zhuoxin and Huagai Tiantou held 30% or more of the partnership interest. Huagai Tiantou is an institutional investor that primarily focuses on equity investment.

Xucun Investment, Jiequan Xinnuo and Jiaxing Gencheng ("**Yicun Funds**")

Xucun Investment is a limited partnership established under the laws of the PRC and managed by its general partner, Shanghai Yicun Private Fund Management Co., Ltd. (上海一村私募基金管理有限公司) ("**Shanghai Yicun**"), which is ultimately controlled by State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government (無錫市人民政府國家資產監督管理委員會) ("**Wuxi SASAC**"). As of the Latest Practicable Date, both two limited partners of Xucun Investment were Independent Third Parties, of which Jiequan Xinnuo, being the largest limited partner, held 92.94% partnership interest in it.

Jiequan Xinnuo is a limited partnership established under the laws of the PRC and managed by its general partner, Jiangsu Huaxi Private Fund Management Co., Ltd. (江蘇華熙私募基金管理有限公司), a company in which 90.0% is owned by Shanghai Yicun. As of the Latest Practicable Date, all three limited partners of Jiequan Xinnuo were Independent Third Parties, of which V-Capital Co., Ltd. (一村資本有限公司) ("**V-Capital**"), being the largest limited partner, held 54.00% partnership interest in it. V-Capital is ultimately controlled by Wuxi SASAC. None of the remaining limited partners of Jiequan Xinnuo held 30% or more of the partnership interest therein.

Jiaxing Gencheng is a limited partnership established under the laws of the PRC and managed by its general partner, Wuxi Zhijiu Enterprise Management Partnership (Limited Partnership) (無錫致久企業管理合夥企業(有限合夥)) ("**Wuxi Zhijiu**"). Wuxi Zhijiu is managed by its general partner, YU Tong (于彤), an Independent Third Party. Save for TANG Weiqing (湯維清), the director of V-Capital and an Independent Third Party, no limited partner of Wuxi Zhijiu holds 30% or more of the partnership interest. None of the remaining limited partners of Jiaxing Gencheng held 30% or more of the partnership interest.

Xucun Investment, Jiequan Xinnuo and Jiaxing Gencheng are primarily engaged in equity investment.

Nanhu Innovation Capital, Science and Technology City High Tech and Nanhu Jiaxing

Nanhu Innovation Capital is a limited company established under the laws of the PRC and is wholly owned by Zhejiang Nanhu Science and Technology Innovation Talent Development Group Co., Ltd. (浙江南湖科創人才發展集團有限公司), which is in turn controlled by Jiaxing Nanhu State Holding Group Co., Ltd. (嘉興南湖國有控股集團有限公司) ("**Nanhu State Holding**"), an Independent Third Party. Nanhu State Holding is a wholly-owned subsidiary of the State-owned Assets Supervision and Administration Commission of Jiaxing's People Government (嘉興市人民政府國有資產監督管理委員會). As of the Latest Practicable Date, Nanhu Innovation Capital was primarily engaged in equity investment and innovation incubation.

Science and Technology City High Tech is a limited company established under the laws of the PRC and is wholly controlled by Zhejiang Jiake Holdings Group Co., Ltd. (浙江嘉科控股集團有限公司), which is controlled by Nanhu State Holding. As of the Latest Practicable Date, Science and Technology City High Tech was engaged in the fields of investment in private companies among high-tech sector, real estate development and capital management.

Nanhu Jiaxing is a limited partnership established under the laws of the PRC and is managed by its general partner, Jiaxing Nanhu District Xinchuang Entrepreneurship Investment Co., Ltd. (嘉興市南湖區新創創業投資有限公司), which is in turn controlled by Nanhu State Holding. The remaining two limited partners of Nanhu Jiaxing, namely Zhejiang Xingnan Equity Investment Co., Ltd. (浙江瑆南股權投資有限公司) and Science and Technology City High Tech, held 39.9% and 59.9% partnership interest in Nanhu Jiaxing respectively, both of which are ultimately in turn controlled by Nanhu State Holding. As of the Latest Practicable Date, Nanhu Jiaxing is engaged in the fields of private equity investment and capital management.

Beijing Mali

Beijing Mali is a limited company established in the PRC and wholly owned by Mali Venture Capital Co., Ltd. (馬力創業投資有限公司), which is owned by Hebei Huakong Hongyi Technology Co., Ltd. (河北華控弘屹科技有限公司) ("**Hebei Huakong**") and Beijing Tsinghua Ai Technology Co., Ltd (北京清大智捷科技有限公司) ("**Tsinghua AI**") each as to 26%. Hebei Huakong is ultimately controlled by Shijiazhuang Hi-tech Industrial Development Zone (石家莊高新技術產業開發區財政局), an Independent Third Party. Tsinghua AI is ultimately controlled by Mr. RAN Zhao (冉釗), an Independent Third Party. As of the Latest Practicable Date, Beijing Mali was engaged in the fields of enterprise management and consulting.

Guangzhou Dashen

Guangzhou Dashen is a limited partnership established under the laws of the PRC and managed by its general partner, Mr. KE Kangbao (柯康保), an Independent Third Party who holds 90% partnership interest therein.

Wuxi Industrial Development

Wuxi Industrial Development is a limited partnership established in the PRC in November 2019, and is a fund of China Merchants Capital (招商局資本) that mainly invests in technology projects. The general partners of Wuxi Industrial Development are China Merchants Helios Capital Management Co., Ltd. (深圳市招商金葵資本管理有限責任公司) ("**China Merchants Helios**") and Wuxi Industry Jufeng Investment Management Co., Ltd. (無錫產業聚豐投資管理有限公司) ("**Wuxi Industry Jufeng**"). China Merchants Helios is an investment company owned as to 100% by China Merchants Capital Management Co., Ltd. (招商局資本管理有限責任公司)), which is in turn controlled by China Merchants Group Limited, a state-owned enterprise registered in PRC and regulated and directly managed by the State-owned Assets Supervision and Administration Commission of the State Council, PRC government, and GLP Capital Investment 5 (HK) Limited, each as to 50%. GLP Capital Investment 5 (HK) Limited is in turn controlled by GLP, a leading global thematic investor and business builder with approximately US$80 billion in assets under management as of June 30, 2025 across real assets and private equity. Wuxi Industry Jufeng is ultimately controlled and ultimately owned, directly and indirectly, approximately 95.6% by State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government (無錫市人民政府國有資產監督管理委員會). Wuxi Industrial Development has five limited partners, with its largest limited partner, Wuxi Industry Development Group Co., Ltd. (無錫產業發展集團有限公司), holding an approximately 49.3% partnership interest. Wuxi Industry Development Group Co., Ltd. is controlled and ultimately owned, directly and indirectly, as to approximately 95.6% by State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government (無錫市人民政府國有資產監督管理委員會). Further, one of Wuxi Industrial Development's key limited partners, Service Trade Innovation Development Guidance Fund (Limited Partnership) (服務貿易創新發展引導基金(有限合夥)), holding an approximately 19.7% partnership interest in Wuxi Industrial Development, was jointly founded by, among others, the Ministry of Finance and China Merchants Group, and is a national government investment fund established with social funds guided by the central government. None of the other limited partners is interested in 30% or more of the partnership interests in Wuxi Industrial Development. Save as disclosed above, none of the other ultimate beneficial owners of Wuxi Industrial Development holds

30% or more of the interests therein. To the best knowledge of our Company, each of Wuxi Industrial Development, China Merchants Helios Capital Management Co., Ltd., China Merchants Capital Management Co., Ltd. and the limited partners of Wuxi Industrial Development is an Independent Third Party. To the best knowledge of our Company, each of the ultimate beneficial owners holding 30% or more of the partnership interests in Wuxi Industrial Development is an Independent Third Party.

Yangtze River Pharmaceutical

Founded in 1971, Yangtze River Pharmaceutical is a company incorporated in the PRC with limited liability. It is a large-scale private pharmaceutical enterprise mainly engaged in the research and development, production and sale of chemical drugs, traditional Chinese medicine and healthcare products. Yangtze River Pharmaceutical is one of the first batch of innovative enterprises nationwide and headquartered in Taizhou, Jiangsu Province. Yangtze River Pharmaceutical has more than 18,000 employees with subsidiaries located in Taizhou, Beijing, Shanghai, Nanjing, Guangzhou, Chengdu, Suzhou and Changzhou, etc. As of the Latest Practicable Date, Mr. XU Haoyu (徐浩宇) and his family beneficially control Yangtze River Pharmaceutical as to approximately 51% of its shares. The trade union committee of Yangtze River Pharmaceutical beneficially holds Yangtze River Pharmaceutical as to approximately 46.6% of its shares.

Xiamen Delta and Suzhou Delta (“**Delta Funds**”)

Xiamen Delta is a limited partnership established under the laws of the PRC and managed by its general partner, Xiamen Delta Qingshi Equity Investment Management Co., Ltd. (廈門達泰清石股權投資管理有限公司), a company owned as to 72% by Suzhou Delta Capital Investment Management Co., Ltd. (蘇州達泰創業投資管理有限公司) (“**Suzhou Delta Capital**”), which in turn is controlled by Mr. LI Quansheng (李泉生) an Independent Third Party. As of the Latest Practicable Date, all five limited partners of Xiamen Delta were Independent Third Parties, of which Xiamen Huiju Fengtuo Equity Investment Partnership Enterprise (廈門惠炬峰拓股權投資合夥企業) (“**Xiamen Huiju**”), being the largest limited partner, held 38.22% partnership interest in it. The general partner of Xiamen Huiju is Xiamen Junshi Equity Investment Fund Management Co., Ltd. (廈門市鈞石股權投資基金管理有限公司), which is ultimately controlled by CHEN Mudan (陳牡丹), an Independent Third Party. No limited partner of Xiamen Huiju holds 30% or more of the partnership interest. None of the remaining limited partners of Xiamen Delta held 30% or more of the partnership interest.

Suzhou Delta is a limited partnership established under the laws of the PRC and managed by its general partner, Suzhou Delta Capital. As of the Latest Practicable Date, all 15 limited partners of Suzhou Delta were Independent Third Parties, of which Hengtong Optic-Electric Co., Ltd. (江蘇亨通光電股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600487), being the largest limited partner, held 40.10% partnership interest in it. None of the remaining limited partners of Suzhou Delta held 30% or more of the partnership interest.

Xiamen Delta and Suzhou Delta are experienced in making equity investments in private companies across the fields of technology.

FG Venture

FG Venture is a limited partnership established under the laws of the PRC and managed by its general partner, Suzhou Fangguang Phase II Venture Capital Management Partnership Enterprise (L.P.) (蘇州方廣二期創業投資管理合夥企業(有限合夥)) and its private fund manager Shanghai FG Venture Management Co., Ltd. (上海方廣投資管理有限公司), which are both ultimately controlled by Mr. HONG Tianfeng (洪天峰), an Independent Third Party. As of the Latest Practicable Date, all 41 limited partners were Independent Third Parties, none of which held 30% or more of the partnership interest in FG Venture. FG Venture is an institutional investor that primarily focuses on equity investment.

Haiju Venture Capital

Haiju Venture Capital is a limited partnership established under the laws of the PRC and managed by its general partner Suzhou Jiansheng Investment Management Partnership (Limited Partnership) (蘇州建晟投資管理合夥企業(有限合夥)) ("**Suzhou Jiansheng**"), Suzhou Jiansheng is owned by its general partner, Suzhou Hailianxing Investment Management Partnership Enterprise (L.P.) (蘇州海鏈星投資管理合夥企業(有限合夥)) ("**Suzhou Hailianxing**"), and its limited partner, Shanghai Dishui Chenghai Investment Management Co., Ltd. (上海滴水成海投資管理有限公司) ("**Shanghai Dishui Chenghai**"), each holding 50%. Suzhou Hailianxing is managed by its general partner, XIANG Xiaobo (項曉波). Except for Zhengyuan Cai, who holds 60% partnership interest, no limited partner of Suzhou Hailianxing holds 30% or more of the partnership interest. Shanghai Dishui Chenghai is ultimately controlled by Haier Group Corporation (海爾集團公司), an Independent Third Party. As of the Latest Practicable Date, the remaining two limited partner were Independent Third Party, of which Huzhou Zhuosheng Equity Investment Partnership (Limited Partnership) (湖州卓昇股權投資合夥企業(有限合夥)), being the largest limited partner, held 83.1% partnership interest therein and was ultimately controlled by XIA Xingxing (夏形形), also an Independent Third Party. Haiju Venture Capital is primarily engaged in equity investment.

Suzhou Jinxin and Ningbo Qingkong ("**Ruida Innovation**")

Suzhou Jinxin is a limited partnership established under the laws of the PRC and managed by its general partner Suzhou Jinxin Chuanghe Investment Management Co., Ltd. (蘇州金信創禾投資管理有限公司), which is ultimately controlled by CAO Da (曹達), an Independent Third Parties. As of the Latest Practicable Date, all 19 limited partners of Suzhou Jinxin were Independent Third Parties, none of which held 30% or more of the partnership interest in Suzhou Jinxin.

Ningbo Qingkong is a limited partnership established under the laws of the PRC and managed by its general manager Qingkong Jinxin Yongqing Investment Management (Ningbo) Co., Ltd. (清控金信甬清投資管理(寧波)有限公司), which is ultimately controlled by Cao Da. As of the Latest Practicable Date, all the remaining eight limited partners were Independent Third Parties, of which Nantong Jinxin Haoyuan Investment Center (Limited Partnership) (南通金信灝源投資中心(有限合夥)) ("**Nantong Jinxin**"), being the largest limited partner, held 38.3% partnership interests in it. The general manager of Nantong Jinxin is Nantong Jinxin Prudent Investment Management Co., Ltd. (南通金信通達投資管理有限公司), which is ultimately controlled by CAO Da. No limited partner of Nantong Jinxin held 30% or more of the partnership interest. None of the remaining limited partners of Ningbo Qingkong held 30% or more of the partnership interest.

Suzhou Jinxin and Ningbo Qingkong are primarily engaged in equity investment.

Sumin Huixin

Sumin Huixin is a limited partnership established under the laws of the PRC and managed by its general partner Sumin Investment Management Wuxi Co., Ltd. (蘇民投資管理無錫有限公司) ("**Sumin Management**"). The remaining two limited partners of Sumin Huixin, namely Sumin Capital Co., Ltd. (蘇民資本有限公司) ("**Sumin Capital**") and Wuxi Fengrun Investment Co., Ltd. (無錫豐潤投資有限公司) ("**Wuxi Fengrun**"), holding 50% and 49% partnership interest therein, are Independent Third Parties. Each of Sumin Management and Sumin Capital is ultimately controlled by Jiangsu Private Investment Holding Co., Ltd. (江蘇民營投資控股有限公司) ("**Jiangsu Private Investment**"). Jiangsu Private Investment has no controlling shareholder, or ultimate beneficial owner holding 30% or more interest. Wuxi Fengrun is in turn controlled by Wuxi Taihu New City Development Group Co., Ltd. (無錫市太湖新城發展集團有限公司), a company controlled by Wuxi Municipal People's Government State-owned Assets Supervision and Administration Commission. Sumin Huixin is primarily engaged in equity investment.

Jiaxing Yukai

Jiaxing Yukai is a limited partnership established under the laws of the PRC and managed by its general partner WEN Qinan (溫親安), an Independent Third Party. As of the Latest Practicable Date, Jiaxing Yukai had seven limited partners, being Independent Third Parties. None of the limited partners of Jiaxing Yukai holds 30% or more of the partnership interest. Jiaxing Yukai is primarily engaged in making equity investments in private companies across the fields of technology.

Mr. HUANG Hong

Mr. HUANG Hong is an entrepreneur and an Independent Third Party. Mr. HUANG made investment into our Company after meeting with our management directly.

Wanlin International

Wanlin International is a limited liability company established under the laws of the PRC and is owned by CHEN Ailian (陳愛蓮), an Independent Third Party, as to approximately 71.43%. Wanlin International is primarily engaged in equity investments and assets management.

Shanghai Zhiyoumaite

Shanghai Zhiyoumaite is a limited partnership established under the laws of the PRC and its general partner NIU Shuguo (牛樹國), an Independent Third Party. The sole limited partner of Shanghai Zhiyoumaite, SHI Feng (施峰), an Independent Third Party, holds 90% partnership interest therein. Shanghai Zhiyoumaite is primarily engaged in equity investment.

Xiamen Junshi

Xiamen Junshi is a limited partnership established under the laws of the PRC and managed by its general partner Xiamen Junshi Equity Investment Fund Management Co., Ltd. (廈門市鈞石股權投資基金管理有限公司), which is in turn controlled by CHEN Mudan (陳牡丹), an Independent Third Party. As of the Latest Practicable Date, the eight limited partners of Xiamen Junshi were Independent Third Parties, none of which held 30% or more of the partnership interest therein. Xiamen Junshi is primarily engaged in equity investment across the fields of technology.

Hainan Risinglink

Hainan Risinglink is a limited partnership established under the laws of the PRC and managed by its general partner Hainan Risinglink Private Equity Investment Fund Management Co., Ltd. (海南興鏈私募股權投資基金管理有限公司), which is ultimately controlled by WEI Hang (魏航), an Independent Third Parties. As of the Latest Practicable Date, the four limited partners of Hainan Risinglink were Independent Third Parties, none of which held 30% or more of the partnership interest therein. Hainan Risinglink is primarily engaged in equity investment.

Joint Sponsors' Confirmation

Based on the documents provided by the Company relating to the Pre-IPO Investments, the Joint Sponsors confirm that the investments by the Pre-IPO Investors are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period, we did not conduct any other acquisitions, disposals or mergers that we consider to be material to us.

ACTING-IN-CONCERT AND SINGLE LARGEST GROUP OF SHAREHOLDERS

Dr. GU, together with certain individuals and entities acting in concert, form the largest group of Shareholders and exercise effective control over the Company's voting rights. Such control stems from concert party agreements executed by Dr. GU and each of the participating Shareholders in August 2022 and subsequently renewed from May to June 2025 (the "**Concert Party Agreements**"). Pursuant to the Concert Party Agreements, the parties acting in concert are obligated to vote in accordance with Dr. GU's decisions on key matters, including the Group's day-to-day operations, corporate governance, the appointment of Directors and senior management, and other significant issues requiring Shareholders' approval. As of the Latest Practicable Date, the parties acting in concert with Dr. GU included Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming, Jiaxing Gaile, Jointown Pharmaceutical and China Merchants Advanced Technology (the "**Pre-Listing Concert Parties**"). Jiaxing Jiumai is wholly owned by Dr. YANG, the spouse of Dr. GU. Furthermore, Jiaxing Jiumai serves as the general partner for both Jiaxing Huige and Jiaxing Rongming, responsible for their overall management and controlling their respective voting rights. Jiaxing Gaile is controlled by Mr. SHEN Lu, who holds 90% equity interest therein, while the remaining equity interest is held by two employees who are not connected persons of the Company each as to 5%. Jointown Pharmaceutical and China Merchants Advanced Technology are pre-IPO Investors of the Company.

Pursuant to these Concert Party Agreements, as of the Latest Practicable Date, Dr. GU, together with the Pre-Listing Concert Parties, are able to exercise approximately 40.30% of the voting rights in the Company through (i) 22,696,560 Shares directly held by Dr. GU; (ii) 13,331,880 Shares held by Jiaxing Jiumai; (iii) 22,053,960 Shares held by Jiaxing Huige; (iv) 33,081,120 Shares held by Jiaxing Rongming; (v) 24,935,040 Shares held by Jiaxing Gaile; (vi) 558,000 Shares held by Ms. MA Lan; (vii) 15,622,560 Share held by Jointown Pharmaceutical; and (viii) 25,328,160 Share held by China Merchants Advanced Technology, and therefore Dr. GU and the Pre-Listing Concert Parties constituted a group of controlling shareholders (as defined in the Listing Rules) of the Company.

The establishment of the Concert Party Agreements with Jointown Pharmaceutical and China Merchants Advanced Technology (collectively, the "**Investors Concert Party Agreements**") prior to the Listing reflects a common practice during the pre-IPO phase. Such arrangements involving key stakeholders, such as founders and major investors, are often considered crucial for presenting a unified strategic vision, protecting against potential hostile actions, and enhancing the Company's overall credibility and perceived valuation leading up to the Listing. However, the Investors Concert Party Agreements are set to terminate upon the completion of the Listing pursuant to the pre-existing term, established in the investment phase, primarily due to the respective internal policies of Jointown Pharmaceutical and China Merchants Advanced Technology regarding investments in publicly listed companies, while the remaining Concert Party Agreements will remain in effect following the Listing Date. Consequently, immediately following the Global Offering and completion of the Listing, assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes, Dr. GU is expected to control approximately 27.26% of the voting rights in the Company through (i) 22,696,560 Shares held directly by himself; (ii) 13,331,880 Shares held by Jiaxing Jiumai; (iii) 22,053,960 Shares held by Jiaxing Huige; (iv) 33,081,120 Shares held by Jiaxing Rongming; (v) 24,935,040 Shares held by Jiaxing Gaile; and (vi) 558,000 Shares held by Ms. MA Lan.

By virtue of the continuing Concert Party Agreements post-Listing, Dr. GU, together with his controlled entities (namely, Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi) Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming and Jiaxing Gaile, will constitute the Single Largest Group of Shareholders upon Listing. The two minority shareholders of Jiaxing Gaile do not constitute members of the Single Largest Group of Shareholders as they are unable to exercise any voting right attached to the Shares of the Company, nor do they themselves act or intend to act in concert with any member of the Single Largest Group of Shareholders.

OUR EMPLOYEE INCENTIVE PLATFORMS AND RESTRICTED SHARE INCENTIVE SCHEME

In recognition of the contributions of our employees and to incentivize them to further promote our development, each of Jiaxing Rongming, Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi was established in the PRC as our Employee Incentive Platform, to implement the Restricted Share Incentive Scheme.

Jiaxing Rongming

As of the Latest Practicable Date, Jiaxing Jiumai is the general partner of Jiaxing Rongming, holding 0.73% partnership interest in Jiaxing Rongming. Jiaxing Rongming had four limited partners, including (i) Dr. YANG, holding approximately 23.92% partnership interests; (ii) Jiaxing Yuxi, holding approximately 47.85% partnership interests; (iii) Jiaxing Hexi, holding approximately 16.67% partnership interests; and (iv) Jiaxing Yuuxi, holding approximately 10.83% partnership interests. Except for Dr. YANG and Jiaxing Jiumai, the partnership interests held by the other partners were granted under the Restricted Share Incentive Scheme.

Jiaxing Yuxi

As of the Latest Practicable Date, the general partner of Jiaxing Yuxi is Dr. GU, holding 1% partnership interests therein. Jiaxing Yuxi had 13 limited partners in total, including (i) Dr. YANG, holding approximately 61.71% partnership interests; (ii) Mr. BAI Hongxing, our executive Director and vice president, holding approximately 6.97% partnership interests; (iii) Ms. MA Lan, our vice president and chief human resource officer, holding approximately 3.49% partnership interests; (iv) Mr. XIANG Dingyu (向定宇), a connected person of the Company at the subsidiary level, holding approximately 2.14% partnership interests; and (v) nine employees of the Company, holding approximately an aggregate of 24.69% partnership interests, among which two employees each holds more than 5.00% but less than 7.00% of the partnership interests, six employees each holds more than 1.00% but less than 5.00% of the partnership interests, and one employee holds less than 1.00% of the partnership interests. Except for Dr. GU and Dr. YANG, the partnership interests held by the other partners were granted under the Restricted Share Incentive Scheme.

Jiaxing Hexi

As of the Latest Practicable Date, the general partner of Jiaxing Hexi is Dr. GU, holding 1% partnership interests therein. Jiaxing Hexi had 36 limited partners in total, including Dr. YANG, holding approximately 47.78% partnership interests, Ms. KE Qi (柯琪), a connected person of the Company at the subsidiary level, holding approximately 2.25% partnership interests and 34 employees of the Company, holding approximately an aggregate of 48.97% partnership interests, among which five employees each holds more than 2.00% but less than 2.50% of the partnership interests, 19 employees each holds more than 1.00% but less than 2.00% of the partnership interests, and ten employees each holds less than 1.00% of the partnership interests. Except for Dr. GU and Dr. YANG, the partnership interests held by the other partners were granted under the Restricted Share Incentive Scheme.

Jiaxing Yuuxi

As of the Latest Practicable Date, the general partner of Jiaxing Yuuxi is Dr. GU, holding 1% partnership interests therein. Jiaxing Yuuxi had 32 limited partners in total, including Dr. YANG, holding approximately 23.17% partnership interests, Ms. ZHANG Lei (張蕾), a connected person of the Company at the subsidiary level, holding approximately 7.3% partnership interests and 30 employees of the Company, holding approximately an aggregate of 68.53% partnership interests, among which three employees each holds more than 5.00% but less than 8.50% of the partnership interests, eight employees each holds more than 2.00% but less than 5.00% of the partnership interests, 12 employees each holds more than 1.00% but less than 2.00% of the partnership interests, and seven employees each holds less than 1.00% of the partnership interests. Except for Dr. GU and Dr. YANG, the partnership interests held by the other partners were granted under the Restricted Share Incentive Scheme.

Save for Dr. GU, Dr. YANG, Mr. BAI Hongxing, Ms. MA Lan, Mr. XIANG Dingyu, Ms. KE Qi and Ms. ZHANG Lei, as of the Latest Practicable Date, none of the other partners of our Employee Incentive Platforms is a Director, senior management or other connected persons of our Company.

For further details about our Restricted Share Incentive Scheme, see "Statutory and General Information — D. Share Incentive Schemes" in Appendix VI to this prospectus.

PRE-IPO SHARE OPTION SCHEMES

We have adopted the Pre-IPO Share Option Schemes to establish long-term incentives, attract and retain key staffs, enhance corporate governance, and align stakeholders interests of the Company. As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding Share options granted under the Pre-IPO Share Option Schemes amounted to 8,846,696 Shares, representing approximately 2.07% of the issued Shares immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and no further Shares are issued under the Pre-IPO Share Option Schemes). For the details of the Pre-IPO Share Option Schemes, see "Appendix VI — Statutory and General Information — D. Share Incentive Schemes."

PUBLIC FLOAT AND FREE FLOAT

The 171,791,640 H Shares to be converted from Unlisted Shares held by Dr. GU, Jiaxing Jiumai, Jiaxing Gaile, Jiaxing Huige, Jiaxing Rongming, Ms. MA Lan, S.F. Technology and Suzhou Huidao, representing 40.15% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes), will not be counted towards the public float as the aforesaid Shareholders are core connected persons of our Group.

To the best of our Directors' knowledge, information and belief and having made all reasonable inquiries, save for Dr. GU, Jiaxing Jiumai, Jiaxing Gaile, Jiaxing Huige, Jiaxing Rongming, Ms. MA Lan, S.F. Technology and Suzhou Huidao, none of the other existing Shareholders (i) is a core connected person of our Group; (ii) has been financed directly or indirectly by a core connected person of our Group for the subscription of Shares; or (iii) is accustomed to taking instructions from a core connected person of our Group in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them. Therefore, the 219,294,089 H Shares to be converted from the Unlisted Shares held by the other existing Shareholders together with 36,798,000 H Shares to be issued pursuant to the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes), will be counted towards the public float.

Based on the above, it is expected that immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes), the total number of H Shares held by the public represents approximately 59.85% of our total issued Shares upon Listing. Pursuant to Rule 19A.13A(1) of the Listing Rules, the minimum prescribed public float percentage threshold is 21.38% (assuming an Offer Price of HK$16.40 per H Share, which is the low-point of the indicative Offer Price range), 19.05% (assuming an Offer Price of HK$18.40 per H Share, which is the mid-point of the indicative Offer Price range) and 17.18% (assuming an Offer Price of HK$20.40 per H Share, which is the high-point of the indicative Offer Price range), respectively, assuming the Over-allotment Option is not exercised. Therefore, our Company will be able to meet the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules.

At the time of Listing, our Company is expected to satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules, with sufficient H Shares held by the public and available for trading.

OUR CAPITALIZATION

The below table is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes):

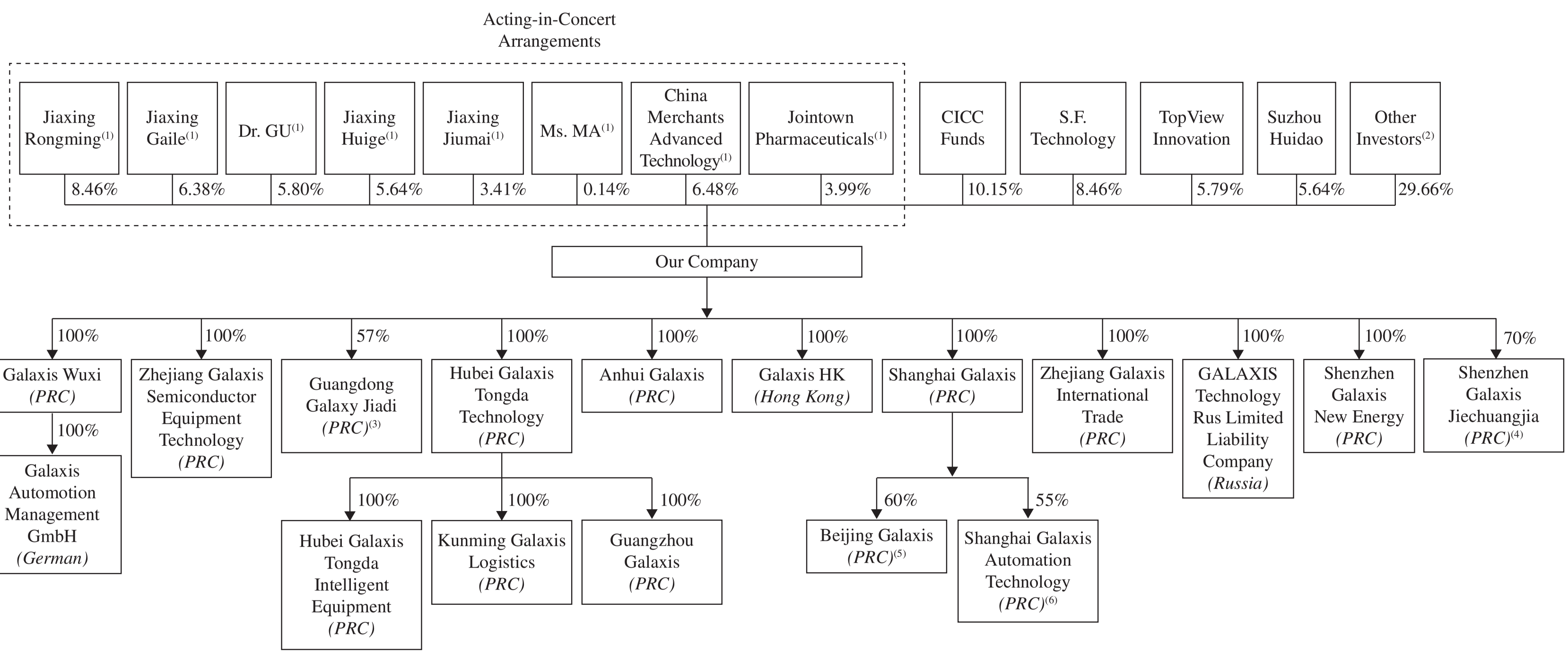
	As of the Latest Practicable Date		Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes)	
Name of Shareholder	**Number of Shares**	**% as to the total issued Shares of our Company**	**Number of H Shares**	**% as to the total issued Shares of our Company**
Our Single Largest Group of Shareholders				
– Jiaxing Rongming	33,081,120	8.46%	33,081,120	7.73%
– Jiaxing Gaile	24,935,040	6.38%	24,935,040	5.83%
– Dr. GU	22,696,560	5.80%	22,696,560	5.30%
– Jiaxing Huige	22,053,960	5.64%	22,053,960	5.15%
– Jiaxing Jiumai	13,331,880	3.41%	13,331,880	3.12%
– Ms. MA Lan	558,000	0.14%	558,000	0.13%
CICC Funds				
– Qijiang	24,324,480	6.22%	24,324,480	5.68%
– Qilu	15,362,640	3.93%	15,362,640	3.59%
S.F. Technology	33,081,120	8.46%	33,081,120	7.73%
Suzhou Huidao	22,053,960	5.64%	22,053,960	5.15%
Suzhou Guyu	3,088,800	0.79%	3,088,800	0.72%
China Merchants Advanced Technology	25,328,160	6.48%	25,328,160	5.92%
TopView Innovation	22,660,200	5.79%	22,660,200	5.30%
Oriza PE	17,552,520	4.49%	17,552,520	4.10%
Jointown Pharmaceuticals	15,622,560	3.99%	15,622,560	3.65%
Cornerstone Funds				
– Linghui Cornerstone	5,586,939	1.43%	5,586,939	1.31%
– Anhui Cornerstone	5,586,939	1.43%	5,586,939	1.31%
Huagai Tiantou	10,212,480	2.61%	10,212,480	2.39%
Yicun Funds				
– Jiequan Xinnuo	4,865,040	1.24%	4,865,040	1.14%
– Xucun Investment	4,410,720	1.13%	4,410,720	1.03%
– Jiaxing Gencheng	616,320	0.16%	616,320	0.14%
Nanhu State Holding				
– Nanhu Jiaxing	4,966,476	1.27%	4,966,476	1.16%
– Nanhu Innovation Capital	1,676,082	0.43%	1,676,082	0.39%
– Science and Technology City High Tech	1,676,082	0.43%	1,676,082	0.39%
Beijing Mali	7,735,320	1.98%	7,735,320	1.81%

Name of Shareholder	As of the Latest Practicable Date		Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes)	
	Number of Shares	% as to the total issued Shares of our Company	Number of H Shares	% as to the total issued Shares of our Company
Guangzhou Dashen	7,258,680	1.86%	7,258,680	1.70%
Wuxi Industrial Development	5,586,939	1.43%	5,586,939	1.31%
Yangtze River Pharmaceutical	5,251,723	1.34%	5,251,723	1.23%
Delta Funds				
– Xiamen Delta	2,837,880	0.73%	2,837,880	0.66%
– Suzhou Delta	2,089,440	0.53%	2,089,440	0.49%
FG Venture	4,410,720	1.13%	4,410,720	1.03%
Haiju Venture Capital	3,709,727	0.95%	3,709,727	0.87%
Ruida Innovation				
– Suzhou Jinxin	1,676,082	0.43%	1,676,082	0.39%
– Ningbo Qingkong	1,621,800	0.41%	1,621,800	0.38%
Sumin Huixin	3,243,240	0.83%	3,243,240	0.76%
Jiaxing Yukai	3,141,804	0.80%	3,141,804	0.73%
HUANG Hong	2,626,920	0.67%	2,626,920	0.61%
Wanlin International	2,205,360	0.56%	2,205,360	0.52%
Shanghai Zhiyoumaite	1,216,080	0.31%	1,216,080	0.28%
Xiamen Junshi	810,720	0.21%	810,720	0.19%
Hainan Risinglink	335,216	0.09%	335,216	0.08%
Investors from the Global Offering	–	–	36,798,000	8.60%
Total	**391,085,729**	**100.00**	**427,883,729**	**100.00**

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Immediately Prior to the Global Offering

The following chart sets forth our corporate and shareholding structure immediately prior to the Global Offering:



Notes:

(1) Immediately prior to the Global Offering, the Pre-Listing Concert Parties collectively held approximately 40.30% shareholding of our Company. For details of the Pre-Listing Concert Parties' shareholding, see the section headed "— Acting-in-concert and Single Largest Group of Shareholders" above. Each of Jiaxing Rongming and Jiaxing Huige is ultimately controlled by Dr. YANG Yan. Jiaxing Gaile is controlled by Mr. SHEN Lu. Jiaxing Jiumai is wholly owned by Dr. YANG Yan. China Merchants Advanced Technology is ultimately controlled by China Merchants Group Limited. Jointown Pharmaceutical is a company listed on the Shanghai Stock Exchange (stock code: 600998). For details of their background information, see the sections headed "— Our Employee Incentive Platforms and Restricted Share Incentive Scheme" and "— Pre-IPO Investments — Information Relating to Our Pre-IPO Investors" above.

(2) Representing 28 existing minority Shareholders and each of them held less than 5.00% shareholding of our Company as of the Latest Practicable Date. For details, see "— Our Capitalization" above.

(3) As of the Latest Practicable Date, 43% registered capital of Guangdong Galaxy Jiadi is held by Dongguan Liande Entrepreneurship Management Co., Ltd. (東莞市聯德企業管理有限公司), an Independent Third Party of our Company.

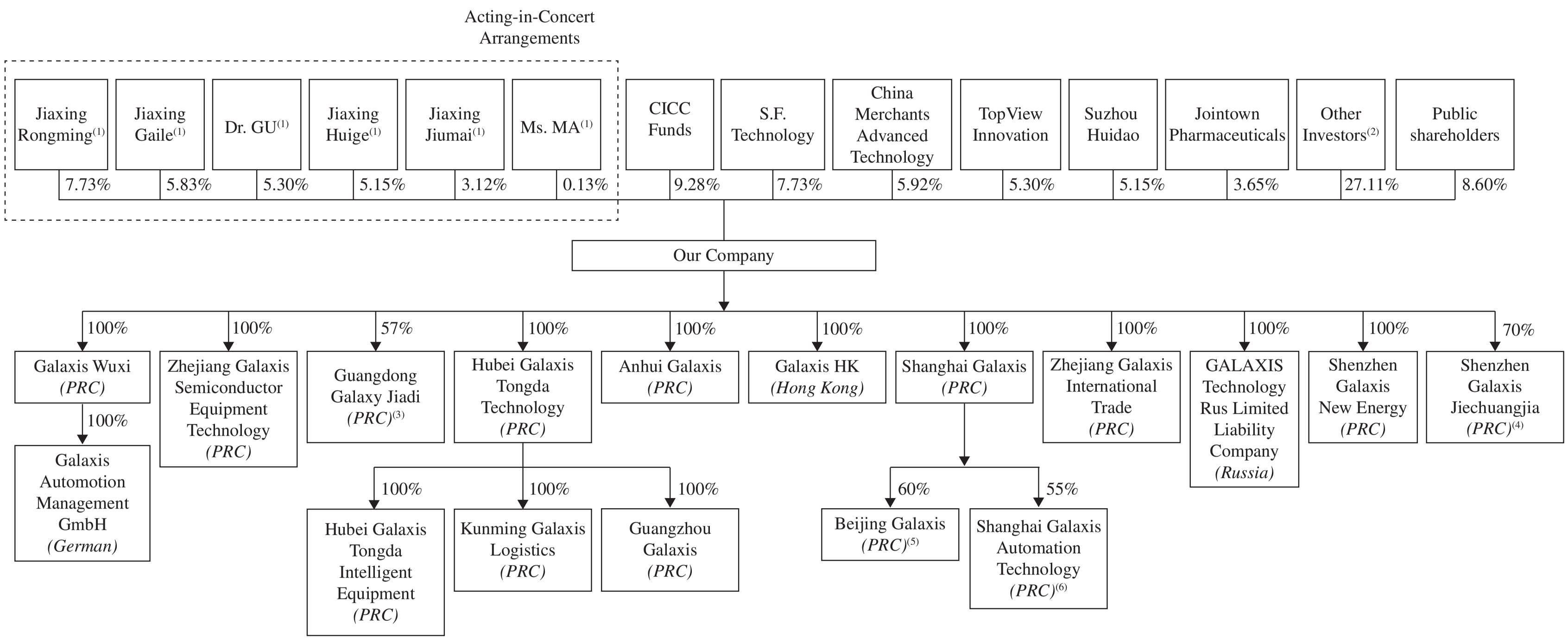
(4) As of the Latest Practicable Date, 30% registered capital of Shenzhen Galaxis is held by LIU Guoqiang (劉國強), an Independent Third Party of our Company.

(5) As of the Latest Practicable Date, 40% registered capital of Beijing Galaxis is held by WANG Guangyu (王廣玉), an Independent Third Party of our Company.

(6) As of the Latest Practicable Date, 45% registered capital of Shanghai Galaxis Automation Technology is held by Shanghai Kuangyao Intelligence Technology Partnership (Limited Partnership) (上海曠耀智能科技合夥企業(有限合夥)), an Independent Third Party of our Company.

Immediately Upon Completion of the Global Offering

The following chart sets forth our corporate and shareholding structure immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes:



Notes:

(1) Immediately following upon completion of the Global Offering, the Single Largest Group of Shareholders, collectively held approximately 27.26% shareholding of our Company. For details, see the section headed "— Acting-in-concert and Single Largest Group of Shareholders" above.

(2) For note (2) to (6), see "— Our Shareholding and Corporate Structure — Immediately prior to the Global Offering" in this section above.

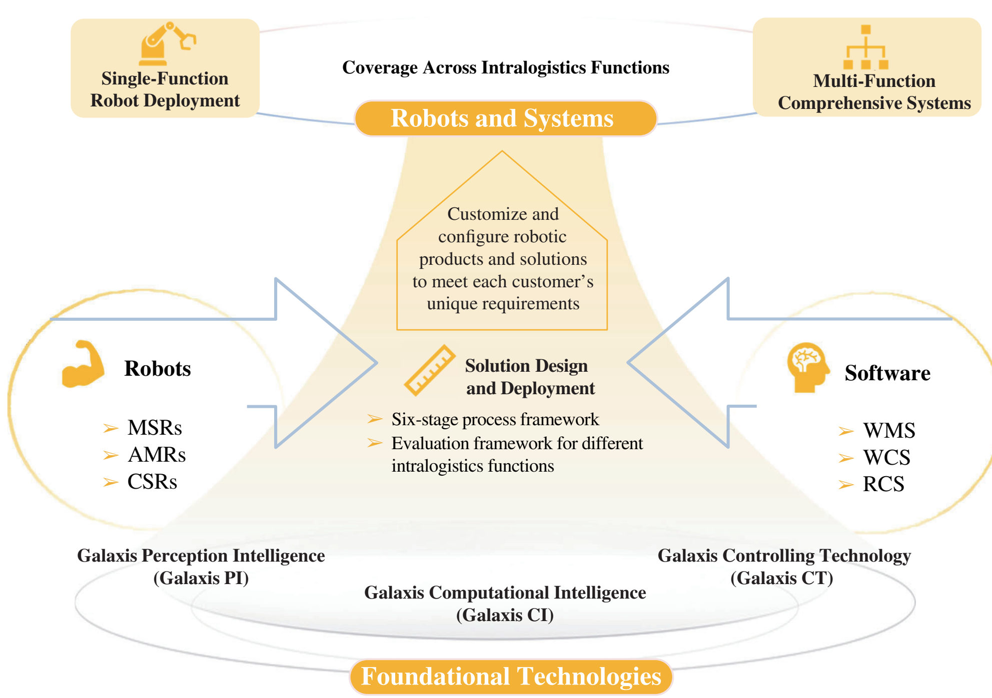
OVERVIEW

Who We Are

We are an intelligent intralogistics robotics provider offering a diverse range of robots centered on three core product lines: multi-directional shuttle robots (MSRs), autonomous mobile robots (AMRs), and conveying and sorting robots (CSRs). Our robotics portfolio covers the entire spectrum of intralogistics operations, addressing the core functions of storage, sorting and transport. We are among the established players in the intelligent intralogistics robotics industry with broad robotics capabilities and a diverse portfolio of self-developed robots that cover core intralogistics functions across widely adopted height and payload specifications. With over a decade of long-standing commitment to innovation in intralogistics automation, we ranked the fifth among the top five comprehensive intelligent intralogistics robotics companies in China by revenue in 2024, with a market share of 1.6%.

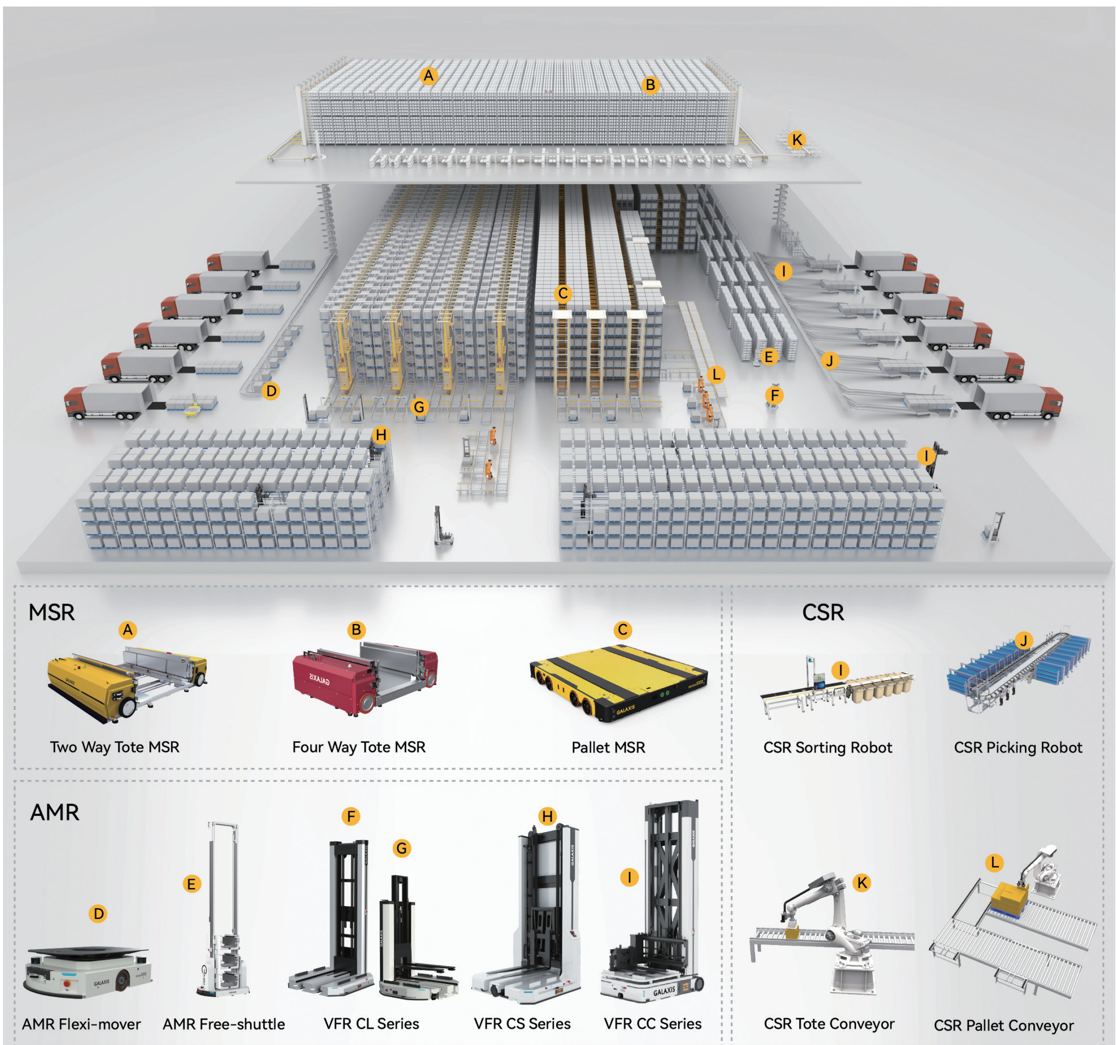
Operating within the midstream segment of the industry, we provide intelligent intralogistics solutions that address the fundamental challenges of modern warehouse operations. By combining advanced robotics and intelligent software through system design expertise, we deliver flexible and scalable automation that increases operational efficiency, enhances reliability, reduces costs, and adapts to changing business needs. Our solutions transform traditional warehouses into intelligent facilities capable of meeting the dynamic demands of contemporary commerce, while significantly reducing reliance on manual labor and rigid infrastructure.

Over the years, we have built a diverse portfolio of advanced robotic products covering the three core intralogistics functions of storage, sorting, and transport as well as proprietary software and control systems for facility-wide coordination. Through extensive implementation, we have developed a systematic approach to solution design and deployment, which marries our robots and software to address the inherent complexity of modern intralogistics operations. The following diagram illustrates our diverse product and solution offerings and our technology capabilities:



Our adoption of an integrated approach to developing effective intelligent intralogistics solutions is crucial to our success, because each facility presents unique challenges such as distinct layouts, workflow patterns, and operational requirements that standardized solutions cannot adequately address. Our robotic systems, intelligent software, and solution design expertise allows us to precisely match each customer's unique requirements. This enables us to deliver solutions across the full spectrum of modern intralogistics needs, from targeted robotic deployments to comprehensive facility systems.

The following diagram illustrates a typical automated warehouse layout and operational areas of our robots and systems:



Market Opportunities and Value Propositions

Rising land costs, labor pressures, and workforce shortage are pushing traditional manual logistics toward unsustainable operational costs globally. While conventional automation remains limited by rigid functionality, this robotization and intelligence drive is catalyzing a transformation for global intralogistics automation that will fundamentally transform operational efficiency across society. Driven by such rising operational costs and complexity, and growing demand for efficiency, the global intelligent intralogistics market is projected to reach RMB522.8 billion in 2025, and RMB991.9 billion by 2030, growing at a CAGR of 13.7%, according to Frost & Sullivan. China is a major player in the intelligent intralogistics market, with its market size increasing from RMB96.0 billion in 2020 to RMB175.9 billion in 2024, representing a CAGR of 16.3%. By 2030, the market is expected to reach RMB413.7 billion, with a projected CAGR of 15.1% from 2025 to 2030.

We deliver compelling value through three key aspects:

- **Maximizing Operational Efficiency.** Our flexible, intelligent intralogistics robots and systems enable customers to streamline their material flow, optimize resource utilization, and reduce operational costs. Through systematic automation of labor-intensive tasks, we help customers achieve sustainable productivity gains.

- **Driving Intelligent Transformation.** Our intelligent robots and systems leverage real-time monitoring and data analytics to transform traditional warehouse operations. This integration of robotics with intelligent technology enables automated workflow optimization and warehouse management, hence creating new operational capabilities.

- **Shaping Industry Standards and Empowering Society.** We actively contribute to industry advancement through open platforms and standard-setting initiatives. As a co-drafter of the national standards for "General Warehouse Classifications" (通用倉庫等級) and industry standards for "Medical Logistics Standardization" (醫藥物流標準化), we help establish unified operational frameworks that facilitates collaboration across the industry value chain.

Our Portfolio of Intelligent Robots

Intelligent robots form the cornerstone of intralogistics automation. We offer a complete range of robots, from lightweight tote to heavy pallet handling, enabling automation across multi-story warehouses and high-bay facilities. We are among the established players in the intelligent intralogistics robotics industry with broad robotics capabilities and a diverse portfolio of self-developed robots that cover core intralogistics functions across widely adopted height and payload specifications. We lead the industry in terms of shipment volume for certain key categories of advanced intelligent intralogistics robots, such as VNA AMRs and four-way shuttles in 2024. Our product portfolio is underpinned by patent protection across China and key overseas markets, enabling us to deliver comprehensive automation systems across diverse logistic applications. Building on this foundation, our product innovation centers on the following product lines:

- **Multi-directional Shuttle Robots (MSRs):** Our MSRs includes robots designed for tote and pallet handling. These robots can move in four directions (forward, backward, left, right) on a plane, operate across aisles, and work in conjunction with high-speed lifts to enable multi-level operations. Within the three-dimensional space formed by dense storage racks, each MSR can reach any storage location in the shuttle warehouse, retrieve or store totes/pallets, and transport them to designated positions, thus enabling goods-to-person.

- **Autonomous Mobile Robots (AMRs):** Our AMRs includes robots designed for tote and pallet handling and transportation. These robots feature high precision and efficiency, suitable for high-density storage environments. Equipped with our proprietary multi-sensor fusion algorithm, hybrid SLAM navigation, and comprehensive positioning technology, they can seamlessly interface with floor-level totes and pallets. They can also adaptively perform tote/pallet lifting functions and accurately connect with various rack docking points, achieving efficient integration with tote/pallet racking for tote/pallet storage and transportation needs.

- **Conveying and Sorting Robots (CSRs):** Our CSRs are integral to modern intelligent logistics operations, employing advanced multi-sensor, vision recognition and intelligent algorithms to enable the effective transportation of goods along interconnected conveyor tracks and sorting. These robots execute precision picking and placement operations with millisecond-level responsiveness, rapidly distributing items to designated channels through robotic arms and sorting mechanisms. Their modular design and flexible control systems enable both high-speed processing of standardized items and delicate handling of irregular goods, achieving 24/7 operation with high accuracy.

Our robotic products are built upon three foundational technologies: Perception Intelligence (PI), Computation Intelligence (CI), and Control Technology (CT). Like the human sensory system, Galaxis PI creates detailed mapping between robots and their environment (including personnel and materials), enabling reliable object detection and structured navigation through systematic environmental monitoring. Like a central processor handling inputs, Galaxis CI manages tasks through mathematical modeling, digital simulations, and defined parameters to generate practical operational solutions. Comparable to motor control systems, Galaxis CT coordinates the robotic components and modules, delivering consistent and precise mechanical movements. These foundational technologies form the technological bedrock that powers our comprehensive strengths to deliver effective intralogistics solutions.

Our Software Ecosystem

Our advanced software system drives our intelligent intralogistics robots and systems, ensuring successful implementation and operation of large-scale automated logistics centers. Our core software includes:

- **Warehouse Management System (WMS).** Our WMS software provides real-time monitoring of customers' inventory turnover processes, effectively controlling and tracking warehouse operations and cost management. Through deep integration with our Galaxis CI platform, it processes operational data to create and maintain business data models which are adjusted based on orders and operations, enabling handling million-order-level daily data processing. Additionally, our Galaxis low-code fusion development platform, which enables efficient integration of multi-sensor data with minimal coding, allows us to efficiently respond to customers' functional expansion needs, reducing delivery complexity and rapidly improving operational efficiency.

- **Warehouse Control System (WCS).** Our WCS software forms the operational core of warehouse coordination, controlling and scheduling various intelligent intralogistics robots to create complete task-to-execution workflows. Using a high-concurrency multi-process architecture, it enables real-time data analysis and processing, resolving all critical path calculations to meet large-scale control and intelligent scheduling requirements. Its modular programming language and multiple communication protocol compatibility provide foundational support for expanding scheduling capabilities and compatibility with third-party WMS systems and logistics robots.

- **Robot Control System (RCS).** Working in conjunction with WCS scheduling commands, our RCS software enables large-scale cluster scheduling of various intelligent intralogistics robots, from both 2- and 3-dimensional path planning to optimal route solving. Using predefined path-optimization algorithms, RCS enables robots to operate based on order patterns and business metrics, enabling systematic responses in robot scheduling according to order volumes, inventory status, task sequences, and equipment routing. With unified communication protocols between RCS and intelligent intralogistics robots, this software is capable of achieving efficient control of over 1,000 robots operating simultaneously.

Solution Design and Deployment

Intralogistics automation comes with significant challenges, such as varying use cases, operating conditions, and diverse customer needs. Consequently, companies in this industry cannot rely on simply selling and delivering standalone robots. Instead, they must customize and configure their robotic products and solutions to meet each customer's unique requirements. Building a successful logistics center requires reliable robots and effective software, along with established expertise in designing and implementing the solution. It also requires deep industry insight, project implementation expertise, strong execution capabilities, and dedicated service support to ensure smooth deployment.

To systematically address these challenges, we have developed a six-stage process framework for effective solution design and deployment. This comprehensive framework covers the entire process from initial solution design and system development, through product manufacturing and implementation, to operational guidance and lifecycle management. Each stage is executed with careful attention to ensure consistent standards in both solution design and deployment.

Drawing on our extensive experience in solution design and deployment, we have synthesized an evaluation framework that can be applied across all industries, facility types, and business models. The framework distills the essential parameters of intralogistics' three core functions - storage, transport, and sorting - including metrics such as storage capacity, facility height, and throughput requirements. This strategically aligns with and is inherently complementary to our product portfolio logic. In particular, our MSR, AMR and CSR product lines each possess unique characteristics across five key dimensions: the three core functions plus flexibility and scalability. Leveraging insights from thousands of successful deployments, we have developed a methodology that integrates our evaluation framework with our product portfolio. This enables us to precisely configure and optimally combine our three core robotic product lines to address specific customer operational scenarios and business requirements, delivering highly adaptable solutions for diverse logistics challenges.

Our Go-to-Market Strategy

Our go-to-market strategy is rooted in a customer-centric approach, focusing on addressing the specific needs of our customers in both domestic and international markets. We offer product flexibility for our customers ranging from single-function robot deployment to multi-function comprehensive systems. We are committed to delivering full lifecycle services that evolve with our customers' needs, ranging from project planning and design through after-sales services. We help customers scale their intelligent intralogistics deployment as their business grows, whether through expanding existing facilities or replicating successful implementations across new sites. For example, we support Chinese customers in their overseas expansion by ensuring consistent automation standards across their global operations. Leveraging our deep expertise in handling complex intralogistics scenarios and extensive implementation experience, we have established a strong presence across diverse industries, serving market leaders including several Fortune Global 500 companies.

To achieve optimal customer coverage, we primarily sell to both end customers and integrators. Direct engagement with end customers provides us with invaluable insights that drive continuous product and solution innovation. Working with integrators as key customers effectively expands our market reach for our proprietary robots. This approach proves particularly effective in international markets, where we first establish ourselves as a trusted robotics supplier within integrators' automation solutions, which then creates opportunities for broader deployment of our robots and systems while maintaining international standards and high quality.

Our technological and operational capabilities have earned us a distinguished customer base of 861 customers across 29 industries as of September 30, 2025. With over 1,600 successful project implementations, including multiple large-scale projects exceeding RMB100 million, our track record demonstrates our capability to execute complex implement scenarios across diverse industries. Our consistent quality and reliability have enabled us to meet the high standards of market leaders, particularly in industries with demanding requirements such as pharmaceutical, 3C electronics, new energy and automotive sectors.

OUR BUSINESS AND REVENUE MODEL

We adopt a project-based business model to address the needs of different intralogistics facilities. Each customer location presents distinct layouts, workflow patterns, and operational requirements that standardized solutions cannot effectively address. Success requires deep understanding of the complex relationships between material flow, inventory management, and resource scheduling. Rather than offering standardized products, we develop customized solutions through carefully designed projects that precisely match customer requirements while leveraging our field-tested products and implementation expertise.

We generate revenue from our intelligent intralogistics solutions through the sales of robots and systems, and after sales and other services. In terms of robots and systems, these are delivered through two primary modes using a combination of self-developed and third-party robots:

- Single-Function Robot Deployment: Projects that are centered on using our self-developed robots to address specific single operational needs, such as picking, sorting, or transport. Projects under this mode primarily involve a single type of our intelligent robots, such as AMR, MSR and CSR. These solutions may involve single or multiple robots targeting the same particular function, and are typically implemented for further system integration, although they may also be directly adopted by enterprise customers. Within this mode, in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, self-developed robots accounted for 100.0%, 100.0%, 98.0%, 97.2% and 99.5% of the total robots sold, with third-party robots accounting for nil, nil, 2.0%, 2.8% and 0.5%, respectively.

- Multi-Function Comprehensive Systems: Projects that integrate our self-developed robots with third-party products to address multiple operational needs simultaneously, such as complete warehouse systems handling storage, picking, sorting, and transport. Projects under this mode primarily involves the integration of two or more types of our intelligent robots, such as AMR, MSR and CSR. These solutions primarily serve enterprise customers by delivering customized end-to-end solutions. Within this mode, in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, self-developed robots accounted for 92.8%, 96.1%, 96.1%, 96.8% and 98.9% of the total robots sold, with third-party robots accounting for 7.2%, 3.9%, 3.9%, 3.2% and 1.1%, respectively.

As of December 31, 2025, we have achieved an aggregate backlog value of robots and systems of approximately RMB2.2 billion, which we expect to fulfill within the next three years. Specifically, approximately 44.7% of the backlog is expected to be fulfilled in 2026, and 47.3% in 2027, with the remaining balance expected to be fulfilled in 2028. The table below sets forth the number of projects fulfilled with respect to robots and systems for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
Robots and Systems	102	106	123	75	110
– Single-function robot deployment	47	34	51	32	63
– Multi-function comprehensive systems	55	72	72	43	47

The number of projects fulfilled naturally fluctuates between periods due to variations in project execution schedule, which is generally affected by (i) project site readiness, such as construction completion and infrastructure availability, and (ii) timing of completion of project acceptance.

In 2023, the projects that reached fulfillment were weighted more heavily toward multi-function comprehensive systems. Meanwhile, single-function robot deployment projects fulfilled in 2023 decreased compared with 2022, primarily because a higher proportion of 2023 contracts were signed with system integrators. When projects involve integrators, our delivery schedule depends on not only on their end customers' operational readiness but also integrator's preparatory work, leading to longer project execution cycle. Our single-function robot deployment projects increased from 34 in 2023 to 51 in 2024, and from 32 to 63 in the nine months ended September 30, 2024 and 2025, respectively, primarily reflecting our increasing strategic focus on this segment, and increased customer adoption of our proprietary robots.

We also offer a range of after-sales services, including post-warranty routine maintenance, system optimization, technical consulting, and spare parts management, facilitating customers to maintain peak system performance.

BUSINESS GROWTH

During the Track Record Period, we have experienced substantial growth. In 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our revenue was RMB656.9 million, RMB550.8 million, RMB721.4 million, RMB344.2 million and RMB551.6 million, respectively. During the Track Record Period, our loss for the year narrowed from RMB209.6 million and RMB241.6 million in 2022 and 2023, to RMB178.1 million in 2024, and our adjusted net loss (non-IFRS measure) decreased from RMB116.6 million and RMB122.8 million in 2022 and 2023, to RMB50.5 million in 2024. Loss for the period decreased from RMB141.3 million to RMB134.5 million for the nine months ended September 30, 2024 and 2025, respectively, and the adjusted net loss (non-IFRS measure) decreased from RMB46.4 million to RMB13.8 million during the same periods.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have been instrumental to our success and will continue to drive our future growth.

Established Expertise in Intralogistics Robotics

We ranked the fifth among the top five comprehensive intelligent intralogistics robotics companies in China by revenue in 2024. With over 1,600 successful project implementations, including multiple large-scale projects exceeding RMB100 million, our track record demonstrates our capability to execute complex automation initiatives across diverse industries.

We are among the established players in the intelligent intralogistics robotics industry with broad robotics capabilities and a diverse portfolio of self-developed robots that cover core intralogistics functions across widely adopted height and payload specifications. Our MSRs and VFRs showcase this innovation through multiple high-performance features and capabilities — for instance, our VFRs operate in aisles as narrow as 1,650 mm, achieving a 30% reduction in aisle width compared to traditional solutions while maintaining operational efficiency.

This technological advantage enables notable performance across diverse operational requirements, from standalone robot deployments to comprehensive systems involving the deployment of multiple robots. For example, we implemented a multi-story robotics system for a leading pharmaceutical distribution company in central China, seamlessly connecting underground and above-ground operations. The deployment of over 30 intelligent intralogistics robots serves a pharmaceutical logistics operation with annual sales exceeding RMB10 billion, significantly enhancing distribution efficiency throughout the province.

Diverse Portfolio of Robots and Systems to Meet Evolving Market Needs

Our range of self-developed robots, coupled with our advanced software system, drive our diverse portfolio of robots and systems in meeting the evolving market needs.

Diverse Range of Robots

Our intelligent intralogistics robots form the foundation of our ability to provide full coverage across operational applications with performance metrics that redefine industry standards:

- **Comprehensive Coverage.** Our suite of intelligent robots covers the core intralogistics functions of storage, sorting and transport. We are among the established players in the intelligent intralogistics robotics industry with broad robotics capabilities and a diverse portfolio of self-developed robots that cover core intralogistics functions across widely adopted height and payload specifications from multi-story warehouses to high-bay facilities, and from tote to pallet handling.

- **High Performance.** Our robots consistently outperform industry benchmarks in speed and precision. Our MSRs can achieve a maximum speed of 5.0 m/s, with acceleration of up to 1.5 m/s^2. Our AMRs can achieve maximum travel speeds of 2.2m/s, with the VFR-CC series featuring lifting speeds of up to 600mm/s, which is 1.5 to 2 times faster than industry peers.

- **Consistent Reliability.** Our robots are engineered for continuous operation in demanding 24/7 environments. Our MSRs utilize advanced supercapacitor and lithium battery technology, capable of 1 million charge-discharge cycles and supporting 24-hour continuous operation. Our AMRs are equipped with high-capacity LiFePO4 batteries, enabling 12 hours of continuous operation and featuring rapid charging capability that fully recharges in approximately 2 hours.

Advanced Software Systems

We have developed a portfolio of software that drives our robots and systems, covering both management and control of intralogistics operations. Among our comprehensive software suite, three systems particularly demonstrate our technological competitiveness: our warehouse management system (WMS) controls and optimizes all warehouse operations, supporting a million-level scale of order lines daily across facilities with up to a million storage locations. Our warehouse control system (WCS) ensures reliable execution through intelligent scheduling and management of over 1,000 devices. Complementing these is our robot control system (RCS), which enables millisecond-level response time while coordinating over 1,000 robots simultaneously and processing 100,000 concurrent missions per hour, showcasing our advanced capabilities in fleet management and path planning. These systems reflect our deep expertise in developing mission-critical software that powers the future of logistics.

Innovation Capabilities Underpinning Our Sustained Competitiveness

According to Frost & Sullivan, we were the first intelligent intralogistics company to develop and achieve mass production of four-way MSRs and VFRs. Our proprietary technologies underpins our integrated robotics capabilities, powering both our robots and software systems to achieve intelligent task scheduling and optimization across our solutions.

To maintain our technological competitiveness, we have established three specialized R&D departments. Our robotics R&D center focuses on hardware innovation and product development, integrating advanced vision systems, data analytics, and depth cameras with our proprietary robot positioning technology. Our system R&D center develops sophisticated software platforms incorporating AI algorithms for WMS, WCS, and RCS systems with high-performance concurrent processing capabilities. Finally, our AI research institute drives fundamental research in leveraging AI tools and developing high-value intellectual property in automated intralogistics solutions. Together, these three systems form a cohesive R&D ecosystem that enables us to continuously enhance our robotics solutions and deliver reliable performance for our customers' operational needs.

This pursuit of excellence in innovation has earned us strong customer recognition and numerous honors. We have twice received the prestigious national “little giant” enterprise (國家級專精特新“小巨人”企業) designation from the Ministry of Industry and Information Technology. We were also named a Leading Brand for Intelligent Warehouse Equipment and Technology by the China Association of Warehousing and Distribution, and recognized as a 2024 Leading Brand for Logistics Technology Equipment by the China Federation of Logistics & Purchasing.

Broad Customer Base and Diverse Industry Expertise

We have established a strong track record of serving industry leaders across various industries, including Fortune Global 500 companies. We served four of China’s top ten pharmaceutical distribution companies by revenue in 2024, as well as leading domestic and international logistics enterprises. Certain of our long-standing customers have further demonstrated their confidence in us by becoming our valued shareholders. We have also established deep cooperation with a leading global supplier of power and energy storage solutions, helping them establish smart logistics facilities in multiple locations including Jinan and Chongqing.

We emphasize comprehensive lifecycle management capabilities to maximize customer value. From project planning and design through after-sales services, we maintain deep engagement with our customers throughout their operational journey. We also leverage AI technology to analyze and synthesize data from our extensive project experience. This enables us to provide more effective and reliable solution designs, and offer more responsive troubleshooting and preventive consulting services to our customers, strengthening our capacity to serve both existing and new potential customers.

Our technological and operational capabilities span 29 diverse industries as of September 30, 2025. With over 1,600 successful project implementations, including multiple large-scale projects exceeding RMB100 million, our track record demonstrates our capability to execute complex implement scenarios across diverse industries. The quality and reliability of our robots and systems have enabled us to meet the high standards of market leaders, particularly in industries with demanding requirements such as pharmaceutical, 3C electronics, new energy and automotive sectors.

Strategic Global Expansion

We are strategically positioned as “Based in China, Best in Global,” underscoring our commitment to bringing our technology and expertise to the international arena. Our deep roots in China provide a solid foundation for our expansion abroad. China’s highly complex and diverse logistics environment has enabled us to develop sophisticated technological capabilities that are readily transferable to markets outside of China, providing us with a distinct competitive edge. Moreover, China’s comparatively lower logistics costs and access to a skilled labor force empower us to deliver high-quality intelligent intralogistics robots and systems that are cost effective. For example, our advanced four-way tote MSR system distinguished us among numerous logistics brands in Europe and the United States, allowing us to successfully secure a major project for a prominent luxury retail distribution center in Dubai.

We have also established long-term, trust-based relationships with over a variety of global reputable companies. For instance, we serve as a core component provider for a leading European logistics solutions company, supplying advanced MSR systems for their projects in the Middle East, significantly enhancing the intelligence and efficiency of their operations. These collaborations represent the forefront of technological advancement, and are among the key forces driving the global transformation toward intelligent intralogistics.

Additionally, we continue to benefit from the growing trend of Chinese enterprises going global, serving as a critical intralogistics infrastructure enabler in their international operations. For example, we are delivering intelligent intralogistics robots products and systems to a major home appliance company for their smart air conditioner factory in Chonburi, Thailand, which supports an annual production capacity of 3 million air conditioning units and associated equipment. Our projects lay the foundation for full digital intralogistics coverage for the Thailand factory, significantly enhancing digitization of the factory across inventory, logistics, order management and quality systems, while empowering local suppliers with end-to-end value chain digital capabilities in areas such as planning and scheduling, procurement, and quality control. This facility has since become a benchmark for this customer's highly intelligent, digitalized, and automated overseas facilities, and has been recognized by the Ministry of Industry of Thailand as a "Green Factory" (綠色工廠).

Seasoned Leadership Team with Technical Expertise and an Emphasis on Innovation

Our management team possesses profound academic and industry backgrounds. Our founder and chairperson of the Board, Dr. GU Chunguang, holds a Ph.D. in Mechanical Engineering from the Massachusetts Institute of Technology and a Bachelor's degree in Mechanical Engineering from Tsinghua University. He previously served as the chief technology officer of Jointown Pharmaceutical Group Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600998). As a prolific innovator, he holds over 50 patents and was honored as one of China's Top Ten Contributors to the Logistics Industry. Dr. YANG Yan, our executive Director and vice president, possesses extensive experience in electrical and electronic engineering and holds over 70 patents. Dr. BAI Hongxing, our executive Director, vice president and head of the AI research institute, is a technology and logistics intelligence expert with over 100 patents and patent applications. Built upon our founder's and management team's wealth of experience, we have established strong technical R&D foundations and achieved a strong track record in product development and commercialization.

We uphold an engineer's innovation culture of "craftsmanship spirit and continuous innovation," continuously increasing our R&D investment and planning to attract more R&D talent to push the boundaries of product innovation and advance the intelligent transformation of the intralogistics industry. Our core values have become an inseparable part of our development. As of September 30, 2025, among our 849 employees, over half have more than five years of experience, while our mid-level and senior employees have at least 15 years of industry experience and an average tenure of over seven years with us. Our ambitious, cohesive, and dynamic execution team will continue to drive our sustainable development and accomplish our mission.

OUR STRATEGIES

Maintain Product Innovation Leadership and Propel Comprehensive Development of Intelligent Intralogistics Robots

We are committed to maintaining our leadership in intelligent intralogistics robotics by continuously strengthening our development and adoption of advanced robotics technologies. We will continue to strengthen our integrated capabilities through strategic investments across our entire technology portfolio. Our development roadmap focuses on three key areas: digital twins, which create virtual replicas of physical systems through simulation and modeling tools for enhanced testing and validation; large model technology which leverages data analytics to develop enhancement tools to enable efficient processing of technical information and operational protocols for streamlined operator guidance; and intelligent robotics technology that allows for improved sensor data processing and movement protocols for enhanced robot performance. Building on these, we will continue developing next-generation robotic products and enhancing our intelligent management software to enable dynamic processing, intelligent analysis, and coordinated fleet operations, supported by targeted recruitment of experts across mechanical and control systems, AI technologies, and advanced computing.

Accelerate International Expansion through Enhanced Global Operations

Capitalizing on our accumulated strengths in the independent product development and in-house manufacturing of intelligent intralogistics robots and systems, and our global experience in operations and implementation, we are able to deliver high-quality automation capabilities with high performance-cost ratios, tailored to the evolving needs of key target markets outside of China. To further advance our global brand strategy and drive sustained international expansion, we plan to pursue a multi-pronged, phased approach through the following key initiatives: (i) deepen strategic collaboration with regional partners overseas, as well as Chinese enterprises expanding abroad, thereby amplifying our market visibility and penetration in key international markets; (ii) deliver intelligent intralogistics robots and systems to leading global intralogistics companies and key industry players, with the goal of building flagship deployments and marquee success cases among top-tier customers, which will further reinforce our brand reputation and accelerate our global customer acquisition; and (iii) enhance our market intelligence and local responsiveness by establishing additional overseas marketing branches and enhancing our local sales and implementation teams. To achieve this, we plan to strengthen our business network, expand our global sales and service network and establish 10 overseas sales, distribution, and technical support centers over the next five years. We plan to establish these centers in South Korea, Japan, Singapore, Thailand, the United Arab Emirates, the United States, Brazil, Germany, Poland and Australia, collectively, the “Planned Overseas Centers”, all of which demonstrated identifiable regional demand for robotics and intelligent intralogistics solutions. We selected these markets based on two different strategic positions. South Korea, Japan, Singapore, Thailand, and the UAE represent markets where we have established business presence and integrator partnerships. The United States, Brazil, Germany, Poland, and Australia were selected as expansion markets where we have secured initial market entry through initial projects and emerging partnerships, positioning us to capture significant untapped demand. Our Directors believe this expansion strategy is feasible having considered (i) our experience in successfully delivering projects across 19 countries and regions and our established partnerships with local integrators and enterprise customers; (ii) our study of the market conditions in each of the jurisdictions where the Planned Overseas Centers are to be established, which indicates strong and growing demand for robotics and intelligent intralogistics solutions; (iii) our ability to deliver high-quality, cost-effective and scalable automation solutions, supported by our proprietary technologies and diverse product portfolio; and (iv) our steadily growing overseas revenue base and robust project pipeline, which provide a solid commercial foundation for further expansion. For details of our plan to expand our global market, see “Financial Information — Business Sustainability — Expanding Revenue Scale — Accelerate Global Market Development.” This will enable us to capture global opportunities, foster long-term customer relationships, and elevate our service capabilities to ensure consistently high customer satisfaction across regions.

Expand Into New Industries and Applications While Reinforcing a Long-Term Growth Trajectory

Our intelligent intralogistics solutions, built around core functions of storage, sorting, and transport that are universally applicable across industries, have enabled us to serve 861 customers across 29 industries as of September 30, 2025. We will continue expanding into new sectors through ongoing portfolio enhancement, while reinforcing long-term growth through deep customer engagement and comprehensive after-sales support, creating a self-reinforcing cycle of product improvement and customer value creation. This continuous engagement enables us to maintain strong relationships with existing customers while gathering valuable insights that drive product innovation and improved performance. We will continue to enhance our after-sales capabilities to ensure sustained customer satisfaction and loyalty. We will also systematically pursue value chain expansion opportunities, as demonstrated in the new energy sector where we progressed from automated storage for battery formation to serving both upstream raw material suppliers and downstream battery application customers, across our broader customer base.

Deepen Strategic Collaboration Across the Industry Chain and Build a Global Intelligent Intralogistics Ecosystem

We have developed an open and unified platform with standardized data interfaces that enable customers to integrate our software with third-party intelligent intralogistics products. We will continue to enhance the versatility and flexibility of our advanced software architecture, allowing our customers to build and deploy agile, cost-efficient solutions with greater ease. We will also further deepen collaboration with upstream and downstream ecosystem partners, including established intralogistics solution providers, integrators, and suppliers of core components such as PLCs, sensors, and electrical cores, to increase solution supply capacity, achieve localized component supply, and drive economies of scale.

Achieve Sustainable Development Through Supply Chain Transparency and Green Manufacturing Transformation

We place Environmental, Social, and Governance (ESG) principles at the core of our strategy, demonstrating our commitment to sustainable development through continuous operational improvements. We will implement an intelligent supply chain management system to enhance our operational efficiency. This system will seamlessly connect supply chain management with system implementation progress, monitor market demands for intelligent robots and software, and provide real-time feedback to the supply chain management system, enabling intelligent transformation of our just-in-time supply chain. As we expand our production capacity to meet development goals, we will incorporate renewable energy, intelligent management, and demand-side energy management into our manufacturing processes, alongside the installation of energy-efficient lighting and electrical systems, with the goal of achieving greenhouse gas neutrality and establishing environmentally friendly green factories.

OUR INTELLIGENT INTRALOGISTICS ROBOTS

Our portfolio of intelligent intralogistics robots centers on three primary product lines — multi-directional shuttle robots (MSRs), autonomous mobile robots (AMRs), and conveying and sorting robots (CSRs). Each product line is equipped with its own integrated intelligent subsystem — including sophisticated navigation, control, and scheduling capabilities — enabling rapid and effective deployment and seamless operation.

Our robotics portfolio provides comprehensive coverage of the core intralogistics functions of storage, sorting, and transport. Each product line brings unique performance strengths to meet specific operational objectives, backed by baseline capabilities across all three functions. This strategic versatility enables us to serve customers with diverse intralogistics needs, while providing the optionality to create tailored solutions through optimal combinations of our robots.

We are among the established players in the intelligent intralogistics robotics industry with broad robotics capabilities and a diverse portfolio of self-developed robots that cover core intralogistics functions across widely adopted height and payload specifications in intralogistics. Our MSRs and AMRs each comprise a diverse range of robots that covers a full spectrum of operational needs — from lightweight tote to heavy pallet handling, and from multi-story warehouses to high-bay facilities. In parallel, our CSRs deliver flexible movement, efficient transport and highly accurate sorting through intelligent automation, offering cost-effective alternatives to traditional material handling solutions.

The following table summarizes the key characteristics and specifications of our MSRs, AMRs, and CSRs:

Characteristics	MSRs	AMRs	CSRs
Primary Functions	• Core storage and retrieval in high-density automated systems • Secondary sorting and transport capabilities • Grid-based three-dimensional storage operations	• Versatile handling of totes and pallets • Goods-to-person picking • Lifting operations • Storage, sorting, and transport	• High-speed conveying (totes) • Heavy-duty transport (pallets) • Intelligent sorting and identification • Specialized battery handling (new energy line)
Performance Capabilities	• Positioning accuracy: ±1mm • Tote MSRs: 10-second charge for 180-second runtime • Pallet MSRs: 8-hour operation with 120-minute charging • Four-way unrestricted movement	• Navigation and positioning accuracy: ±5mm • Single-day deployment capability • Infrastructure-independent operation	• 24-hour operational capability • High sorting accuracy • Extensive distance coverage
Application Scenarios	• High-density storage environments • Buildings with irregular layouts • Complex structural features • Multi-story warehouses • High-bay facilities	• Complex and dynamic warehouse environments • Very-narrow-aisle operations (VFR series) • High-density storage environments • Goods-to-person operations	• Automated warehouse operations • Battery production environments • Goods-to-person picking stations • Large-scale material flow operations
Third-Party Software Compatibility	Yes	Yes	Yes
Safety Features	• Laser radar sensors for obstacle detection • Dynamic path optimization • System-controlled speed adjustments	• Proprietary obstacle avoidance algorithms • Fault-tolerant recovery mechanisms	• Non-metallic contact handling (battery line)
Distinguishing Technical Features	• Triple-positioning system (perforation tracking/RFID, encoder feedback, photoelectric sensors) • Grid-based architecture • Customizable dimensions and fork structures • Built-in redundancy system	• Advanced perception, movement and navigation capabilities • Enables pallet storage in very narrow aisles • Efficient one-step docking • High positioning accuracy • High safety profile	• Gravity-assisted tilted tray design • Compact footprint • Specialized features for battery handling • Multiple drive systems (roller, belt, chain)
Price Range of Key Products	• Four-way shuttle: RMB140,000 to RMB700,000 • Two-way shuttle: RMB60,000 to RMB110,000	• VNA AMR: RMB140,000 to RMB700,000	• Given the wide variety of CSRs available, prices typically range from RMB4,500 to RMB200,000

MSR Products

Our MSRs are fixed-grid storage specialist robots that form the backbone of modern high-density automated storage and retrieval systems, while also providing sorting and transport capabilities. While capable of sorting and transport functions, their defining strength is maximizing vertical warehouse space through grid-based three-dimensional storage operations in high-bay configurations. They are specifically engineered for large-scale facilities where storage density is paramount and operational patterns are predictable. The predefined track-based system delivers high throughput for storage and retrieval, making them ideal for distribution centers and manufacturing facilities with stable, high-volume inventory needs.

Built with standardized base models, our MSRs can be extensively customized to meet specific operational requirements while maintaining production efficiency. Key features such as MSR dimensions, telescopic forks for single or double-deep storage, and variable-width fork structures can be tailored to match specific goods sizes and desired storage density, making our MSR systems both scalable and adaptable to diverse storage needs.

Our MSRs offer the following key advantages:

- **Adaptable layout.** Highly adaptable to any building shape, including those with irregular layouts and complex structural features, to maximize space utilization even with high column density.

- **Extended operational continuity.** Built-in redundancy across all equipment ensures uninterrupted system performance, with dynamic dispatching of alternative units maintaining operations in densely packed areas even during malfunctions.

- **Rapid outbound sorting.** Unrestricted four-way movement enables direct sorting based on outbound sequence, significantly reducing workload at external workstations while lowering transportation and sorting costs.

- **Minimal positioning deviation.** Advanced triple-positioning system combining perforation tracking or RFID, encoder feedback and photoelectric sensors achieves ±1mm accuracy through continuous real-time monitoring and adjustment of positioning deviations.

- **Enhanced intelligent safety.** Laser radar sensors facilitate real-time obstacle detection, dynamically optimize travel paths and coordinate system-controlled speed adjustments to ensure safe and efficient operation in complex environments.

- **Prolonged power endurance.** Tote MSRs are powered by supercapacitors enabling a 10-second charge for operational runtime of 180 seconds, with advanced monitoring ensuring continuous 24/7 operation. Pallet MSRs rely on lithium batteries that provide approximately 8-hour operation with 120-minute charging, with automatic charging scheduling capabilities to maximize uptime.

Our MSR portfolio comprises two main categories: tote MSRs and pallet MSRs, each engineered for specific load types and operational requirements.

Tote MSRs

Tote MSRs are material handling robots designed to locate, store, retrieve and handle totes, cartons, and other containerized goods within racking systems. As a cornerstone of our product portfolio, these EU CE certified MSRs play a critical role in enabling efficient, flexible and scalable high-density automated storage and retrieval systems, while also providing sorting and transport capabilities. By seamlessly integrating with our proprietary software such as WCS and RCS, our tote MSRs provide notable flexibility in warehouse layout and configuration, allowing us to meet the unique needs of customers across various industries.

We offer two distinct genres of tote MSRs. Our flagship four-way tote MSRs enables cross-aisle movement within the storage grid, while our two-way tote MSRs provides efficient single-aisle operations.

Four-way Tote MSRs

Since our inception in 2014, we have been focusing on the development and commercialization of tote MSRs and officially launched our first four-way tote MSR in the same year. Following the commencement of mass production, our four-way tote MSRs rapidly garnered significant attention within the industry and has since been recognized as our flagship products. According to Frost & Sullivan, we are the first company in China to independently develop and commercialize four-way tote MSRs.

Our four-way tote MSRs are capable of cross-aisle operations and, when working in tandem with the lifts, can access any designated location within the shelves across all three dimensions. These MSRs operate at a maximum speed of 5.0 m/s, with an acceleration of up to 1.5 m/s^2, which, according to Frost & Sullivan, represents one of the fastest within the global four-way tote MSR industry.

By effectively balancing storage capacity, throughput, scalability and cost-efficiency, our four-way tote MSRs deliver a well-rounded combination of functionality and flexibility, making them highly adaptable across diverse warehousing and intralogistics scenarios. As of the Latest Practicable Date, we held 54 registered patents related to our four-way MSRs globally. Leveraging our first-mover advantage, our four-way tote MSRs have consistently demonstrated notable quality, stability, reliability and intelligence, reinforcing our leadership position in the global four-way tote MSR market.

Two-way Tote MSRs

Our two-way tote MSR functions as a reciprocating storage and retrieval system, capable of accessing any position along the same aisle within the shelves. To enhance throughput and minimize storage and retrieval time, a two-way tote MSR is generally assigned to each layer of every aisle, ensuring swift and precise access to stored goods.

Our two-way tote MSRs deliver reliable performance and enhanced safety across a broad range of applications. Engineered for stable and reliable operation, they are suitable for diverse working environments, including ambient, cold storage, frozen, and electrostatic-sensitive settings, ensuring consistent performance, durability, and safety under demanding conditions. Similar to our four-way tote MSRs, our two-way tote MSRs are powered by supercapacitors, which offer fast charging capabilities, improved energy efficiency, and simplified installation by reducing the needs for complex electrical wiring. The low-voltage nature of supercapacitors also eliminates the risk of personal injury associated with high-voltage systems, further improving overall workplace safety.

Developed to operate in harmony with our four-way tote MSRs, our two-way tote MSRs offer flexible and efficient coordination, allowing for tailored configurations based on specific structural layouts, operational priorities and throughput requirements. In applications requiring compact storage and high throughput, our two-way and four-way tote MSRs offer functionally compatible options tailored to different customer needs, operating conditions and spatial requirements. This substitutability offers our customers a more diverse and adaptable product portfolio, and in some cases, a more cost-effective solution to meet their automation goals.

Pallet MSRs

Pallet MSRs are specialized material handling robots designed to transport platforms (pallets) loaded with goods within warehouse storage systems. Our pallet MSR line automates the high-precision movement of these loaded pallets in large storage facilities, enhancing both storage density and throughput.

Building on our expertise in four-way tote MSRs, we adapted the essential technology for pallet handling. Our pallet MSRs deliver the same advanced four-way movement and high flexibility, making them especially suitable for high-density, irregular-shaped warehouses and multi-story operations. This technology offers significant advantages in industries such as retail, manufacturing, pharmaceuticals, food, and cold chain logistics, where space optimization and flexible handling are critical. The system's versatility allows it to excel in environments with diverse product types, particularly for multi-product, high-throughput settings typical of pharmaceuticals, food, beverage, and tobacco industries.

AMR Products

Our AMR products are flexible robots that operate without requiring fixed pathways or facility modifications, with minimal spatial constraints. They adapt readily to existing spaces and support all three core intralogistics functions: storage, sorting, and transport across a wide range of applications. Their defining strength lies with their operational adaptability, where they can be redeployed for different tasks, navigate around obstacles autonomously, and scale instantly by adding units. These versatile robots excel in tote and pallet handling, goods-to-person picking, and lifting operations. This makes them the optimal choice for facilities with irregular, complex or changing layouts, as well as businesses seeking gradual automation without infrastructure commitment.

Our AMRs enable flexible configuration and rapid adaptation to diverse operational requirements. This design philosophy facilitates seamless integration with other systems and equipment, enhancing overall operational efficiency and supporting various applications across diverse industries. In addition, our AMRs incorporate a sophisticated hybrid navigation system that combines Inertial Measurement Unit ("**IMU**") and QR code technologies, supported by our proprietary obstacle avoidance algorithms and fault-tolerant recovery mechanisms. With navigation and positioning accuracy of ±5mm, our AMRs deliver high-precision performance even in complex warehouse environments. This precision, combined with infrastructure-independent operation that eliminates the need for magnetic strips or QR codes, enables rapid deployment within a single day while significantly reducing installation complexity in modern warehouses.

Our comprehensive AMR portfolio addresses diverse intralogistics needs across key market needs. At the forefront of our AMR portfolio is our proprietary very-narrow-aisle fork-type robots (VFRs), which is a type of very-narrow-aisle AMR (VNA AMR) for pallet handling. Our other tote- and pallet-handling robot series, such as the Flexi Mover, Free Shuttle and Free Roller, serve applications ranging from goods-to-person operations to high-density storage environments. Each product series is purposefully designed to meet specific operational requirements across the intralogistics spectrum.

Versatile VFRs

Positioned as the flagship innovation of our AMR product portfolio, our VFR series underscores our leadership in pallet-handling automation. Traditional pallet handling solutions like forklifts and forklift-based AGVs often struggle to simultaneously deliver higher storage density, improved operational efficiency, broader adaptability, and enhanced cost-effectiveness. Launched in 2022, our VFR series represents a breakthrough in very narrow aisle autonomous mobile robots (VNA AMR) technology, where its design optimizes storage density in space-constrained environments while setting new standards in pallet-handling automation.

The VFR series features a pioneering side-facing fork pickup mechanism that enables precise alignment and lifting of pallets in a single, fluid maneuver, even within confined aisles. Our VFRs are fully compatible with mainstream logistics information systems, including ERP, WCS, and WMS, allowing for fast, accurate, and flexible handling and pallet-to-person workflows. They also deliver remarkable load-bearing capacity and operational stability across the core intralogistics functions of storage, sorting and transport.

Leveraging our technological strengths in the emerging VNA AMR market, we lead China's VNA AMR segment, ranking first in shipment volume in 2024. Our VFR technology specifically enhances vertical storage density while maintaining operational flexibility, enabling to shape the future of high-density warehouse automation. Our VFRs are capable of being deployed across various key functions of warehouse logistics operations such as pallet storage, retrieval, and transport:

- **Supports pallet storage and automated docking in very narrow aisles and very compact spaces.** The lateral extending fork design of our VFRs enables pallet storage and retrieval in very narrow aisles and precise pallet docking in very compact spaces, significantly improving space utilization while reducing operational costs through optimized warehouse layouts.

- **Seamless integration with production lines and inbound/outbound systems.** Our VFRs interface seamlessly with production lines and warehouse systems responsible for the receiving and dispatching of goods and materials. Such integration enables real-time coordination between manufacturing processes and warehouse operations, allowing for uninterrupted inbound and outbound of goods.

- **Optimized warehouse storage and retrieval.** Our VFRs optimize storage efficiency in multi-story warehouse environments and support automated, high-density storage and retrieval in facilities with vertical layouts. By leveraging vertical space and enabling three-dimensional storage structures, our VFRs significantly enhance spatial utilization and streamline material access across different elevations.

- **Automatic connection to elevators.** We offer VFRs that can autonomously connect and interface with elevators to facilitate efficient inter-story goods transportation. This capability allows the VFRs to deliver or retrieve pallets across multiple levels without manual intervention. When vertical movement is required, the robots seamlessly coordinate with elevators, ensuring safe, timely, and fully automated operations within warehouse facilities.

- **Flexible goods management.** Our VFRs support a wide range of warehouse goods management functions, including ground stacking, buffer storage and station transfers. This flexibility allows warehouses to adapt promptly to varying operational demands and reduce idle time during transportation, enabling dynamic allocation of resources for efficient and scalable warehouse operations.

Our core VFR offering comprises the well-established VFR-CL, VFR-CC and VFR-CS series, which have gained significant market traction.

VFR-CL Series ("Niu Mo Wang")

Our VFR-CL series is a standard-type narrow-aisle fork robot designed for pallet handling and stacking operations. Featuring a side-facing fork pickup mechanism, it enables accurate pallet alignment within the aisle in a single maneuver. With a minimum applicable aisle width of just 1,650 mm, compared to the 2,400 mm aisles for traditional unmanned forklifts, our VFR-CL allows for a notable improvement in space utilization and storage density. Supporting vertical lifting up to 2.2 meters, the robot is well-suited for deployment in multi-story warehouses, enabling flexible interfacing with ground-level stacks, conveyors, and shelving systems.

Our VFR-CL series offers several key advantages. It achieves immediate fork extension within approximately 1.5 seconds through motion-synchronized pallet alignment, eliminating rotation needs, while delivering ±5mm positioning accuracy through a multi-sensor fusion algorithm combining QR codes, reflective tapes, and environmental features. The series also features a comprehensive sensor suite with optional 3D obstacle avoidance, lane-line positioning, and detection systems that are ISO 3691-4 compliant and EU CE certified, complemented by high-capacity batteries that provide 12-hour continuous operation with approximately 2-hour fast-charging capability.

VFR-CC Series ("Ju Ling Shen")

Our VFR-CC series represents a high-performance robot designed specifically for very narrow aisle pallet handling and stacking. While the VFR-CL series is designed for multi-story warehouse operations, our VFR-CC series is purpose-built for high-bay warehouse environments demanding higher vertical reach and more intensive throughput. Capable of navigating aisles as narrow as 1,650 mm and reaching lifting heights of up to 5.5 meters, it efficiently handles the placement and retrieval of pallets even in the most compact layouts.

Our VFR-CC series delivers comprehensive functional enhancements through the integration of various sensors. Building on the fundamental features of the VFR-CL series, the VFR-CC series is configured with a full array of advanced sensors to enhance environmental perception and operational safety, combining safety touch edges for real-time short-range collision detection, a 3D camera for close-quarter visibility, and laser radar for long-range environmental scanning. Load pressure sensors further prevent high-altitude overloads during vertical handling tasks. In addition, the VFR-CC series supports a variety of interchangeable attachments including standard forks and three-directional forks, allowing for quick replacement to suit different operational needs and making this series particularly suitable for complex and space-constrained warehouse environments.

VFR-CS Series ("Er Lang Shen")

Our VFR-CS series, launched in August 2025 with the introduction of the CS1 model, is purpose-built to better serve additional market segments, particularly in Japan and South Korea where closed-bottom pallets with four-way entry patterns are widely adopted across industries such as chemicals and building materials. Unlike the open-bottom pallets typically handled by our VFR-CL series, which rely on support legs to engage through pallet bottom openings, the VFR-CS series adopts a specialized engineering design of eliminating support legs that enables effective handling of closed-bottom pallets while maintaining stable load-bearing performance. This design not only expands application scenarios but also supports improvements in production efficiency and component cost optimizations. With a minimum applicable aisle width of approximately 1,750 mm and a maximum lifting height of up to 5.0 meters, the VFR-CS series is well-suited for high-density warehouse environments that demand both structural strength and precise stacking capabilities.

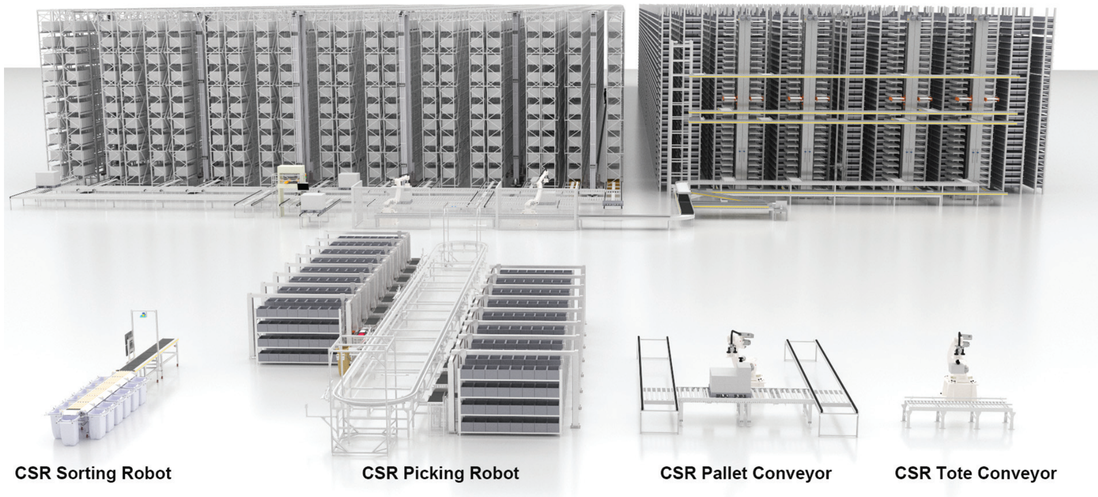
This combination of market-oriented design and technical strengths positions the VFR-CS series as a versatile solution for high-demand applications. Equipped with a triple-eye sensing system combining dual 3D cameras and laser radar, the VFR-CS series delivers multi-modal perception and precise fork alignment, enabling autonomous adjustment of fork angles to complete pallet handling tasks reliably even when pallets are deformed or tilted. The series further automatically detects the top height of pallet stacks in real time and adjusts lifting accuracy accordingly, enabling safe and efficient multi-layer stacking in high-bay warehouse environments. By reinforcing the closed-loop of perception, decision-making and execution through cross-validation of visual and radar data, with optional load-height detection and oversize-pallet monitoring functions, the VFR-CS series ensures accurate pallet positioning and highly reliable warehouse operations.

Other Tote- and Pallet-handling AMR Series

To complement our VFR product line, our other tote- and pallet-handling AMR series are designed to deliver agile and cost-effective performance across a wide range of intralogistics settings such as high-throughput and high-density storage scenarios. Our Flexi Mover series enables low-profile, top-lifting automated storage and retrieval systems and handling of pallets through intelligent scheduling, and is fully compatible with major logistics information systems, facilitating fast and accurate transportation and workflows such as pallet-to-person operations. Our Free Shuttle series is built on modular software and hardware architecture with a standardized chassis. It is designed to store and retrieve totes from conventional shelving systems in coordination with upper-level control systems. By utilizing original warehouse shelving infrastructure, it enables rapid automation deployment with high flexibility and cost-efficiency for tote-to-person operations. Similarly, our Free Roller series leverages the standardized architecture and upper-level control systems to store and retrieve totes. Equipped with rollers, it interfaces seamlessly with conveyors and other automation equipment to address an even broader range of intralogistics scenarios.

CSR Products

Our CSRs are high-throughput, fixed-path systems that combine conveyor infrastructure with specialized sorting robots for continuous material flow operations. Their defining strength is sustained high-speed processing — handling thousands of items per hour through gravity-assisted sorting mechanisms and fixed power supplies that enable 24/7 operation without charging breaks. The integration of conveyor systems with intelligent sorting robots enables precise material identification and routing across multiple destinations simultaneously. They excel in high-volume distribution hubs, parcel sorting facilities, and specialized applications like battery production lines. Their fixed infrastructure maximizes sorting accuracy and speed by eliminating navigation requirements entirely.



Our CSR conveyor system is a versatile solution that handles both totes and pallets, serving as the backbone of automated warehouse operations. The system excels in high-speed conveying for totes and heavy-duty transport for pallets, and seamlessly integrates with goods-to-person picking stations and robotic systems. Its reliability and scalability make it a common fixture in modern logistics facilities, where single installations often span extensive distances to support complex material flow requirements.

Our selection of sorting robots is exemplified by our Blitz series. The compact Blitz AS45 combines scanning and automatic sorting functions with enhanced mobility, featuring rapid deployment. Our Blitz E series employs an efficient gravity-assisted tilted tray design, significantly reducing mechanical complexity. From roller and belt-driven devices for container handling to chain-driven robots for pallet operations, these systems maintain 24-hour operational capability with very high sorting accuracy. The core value of our CSR portfolio lies in its unparalleled efficiency in continuous, high-speed operations, albeit with less flexibility and higher initial infrastructure investment compared to autonomous mobile solutions. Compared to traditional equipment, they offer enhanced scalability and a smaller footprint to meet diverse industrial automation needs.

In response to emerging market demands, we have also developed a specialized CSR product line for the new energy industry, with a focus on battery and component production logistics. These advanced CSRs represent a significant leap forward in our robotics technology, meeting the exacting requirements of battery production environments. Our new energy CSR products are currently deployed in factories of leading global battery manufacturers and have become integral components of modern battery production lines. Drawing on deep industry expertise, our team has developed features such as non-metallic contact during transfer operations and liquid filling capabilities. These capabilities support complex automated workflows including material handling, cell sorting, and tray assembly/disassembly, enabling safe and precise material flow while meeting the stringent requirements of battery manufacturing environments.

Other Products

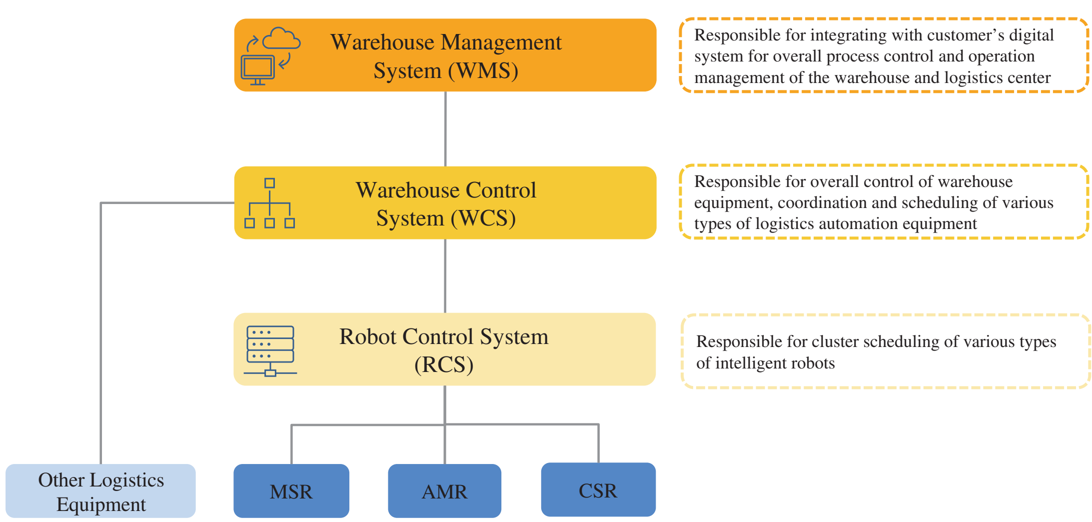
Beyond our core MSR, AMR and CSR products, we offer an extensive portfolio of complementary automation technologies. This includes adaptable miniloads and stacker cranes, specialized MSR lifts, and tote lifts for optimized vertical transport and storage, enabling operations to be extended vertically up to 22 meters, achieving speeds of 180m/min with aluminum-alloy mast construction, while leveraging visual intelligence algorithms to enhance performance. Together, these automation products complement our core offerings to maximize operational efficiency across the full spectrum of intralogistics functions covering storage, sorting and transport. This diverse product range enables us to deliver comprehensive automation capabilities across various industry applications.

OUR SOFTWARE CAPABILITIES

Our advanced software systems are distinguished by their open architecture and flexibility, enabling both robotics control and seamless third-party system integration. This versatility ensures maximum operational efficiency while maintaining system reliability and adaptability. Backed by 181 software copyrights, our high-performance software capabilities enable the effective management of facilities.

Among our comprehensive software suite, three systems particularly demonstrate our technological competitiveness: our WMS controls and optimizes all warehouse operations, supporting a million-level scale of order lines daily across facilities with up to a million storage locations. Our WCS ensures reliable execution through intelligent scheduling and management of over 1,000 devices. Complementing these is our RCS, which enables millisecond-level response time while coordinating over 1,000 robots simultaneously and processing 100,000 concurrent missions per hour, showcasing our advanced capabilities in fleet management and path planning.

Together, our WMS, WCS, and RCS form a unified intelligent warehouse management system. Our WMS software is typically sold as part of our multi-function comprehensive systems since it pertains to the control of overall warehouse management, while WCS and RCS software are control software specifically for robot operation and are included whenever robot systems are implemented, regardless if the project is delivered in the form of single-function robot deployment or comprehensive system. Our systems can operate offline through local deployments without requiring continuous connection to our central platforms. To support integration flexibility, our software can operate both our self-developed robots and third-party robotic systems, while our robots can be configured to be compatible with both our own software as well as other industry-standard interfaces. This integrated yet open architecture reflects our deep expertise in developing mission-critical software that powers the future of logistics. Our software comes with a free maintenance period that varies by project. After this period expires, customers can engage our after-sales service, which includes software upgrades, at an annual fee.



Warehouse Management System (WMS)

Our WMS integrates comprehensive warehouse operations through inbound, outbound, warehouse transfer, and inventory management functions, combining batch management, material matching, and real-time inventory control to effectively track and manage the entire logistics process. In today's complex logistics environment, the system addresses the fundamental challenge of processing massive order volumes while maintaining real-time data consistency across all operational links, particularly as diverse customer requirements demand both system flexibility and adaptability. While our WMS can support both embedded and standalone use, it is typically included in our provision of projects in the form of multi-function comprehensive systems. The system delivers notable performance through several key technological advantages:

- **Advanced Architecture Design:** Our WMS' advanced computing architecture processes million-level daily orders efficiently, ensuring real-time data consistency across all operational links.

- **Planning Capabilities:** Our WMS leverages advanced data processing to generate and adjust business models, enabling optimized wave planning, inventory allocation, task distribution, and equipment routing, supported by advanced data analysis from multiple perspectives to improve operational effectiveness.

- **Advanced Deployment Framework:** Built on our Galaxis low-code fusion development platform, our WMS enables efficient implementation and maintenance. Its group-level distributed deployment architecture provides comprehensive coverage of business auditing, system security, and multi-language support for business operations.

Warehouse Control System (WCS)

Our WCS coordinates and optimizes the operation of diverse automation equipment including conveyors, stacker cranes, shuttles, robots, and AGVs through optimized task decomposition and path analysis. WCS serves as the coordination layer between WMS and multiple RCSs, managing automation systems through process coordination, task scheduling, and resource optimization based on real-time conditions. It receives task instructions from WMS and directs RCS/equipment execution, enabling efficient system-wide operations. The key challenge to overcome lies in maintaining reliable control over large-scale logistics systems while ensuring efficient operations and seamless integration with maintenance processes. Our WCS supports integration of automation systems from major vendors in the market, enabling high compatibility and deployment flexibility across different warehouse environments. The system achieves notable performance through several key technological advantages:

- **Large-scale Control:** Our WCS employs distributed, multi-process system architecture to enable comprehensive control of large-scale equipment operations.

- **Intelligent Scheduling:** Our WCS order execution module serves to enhance picking efficiency, enabling real-time optimization of goods-to-person operations, multi-shuttle systems, and tote conveyor operations. Our WCS performs real-time analysis and processing, computing all critical paths rather than relying on fixed route management, while maintaining stability through major e-commerce shopping events.

- **System Reliability:** Operating independently from WMS and databases, our distributed architecture ensures operational continuity even during system disruptions. When individual processes encounter issues, only the corresponding material flow control or equipment control process is affected, while all other processes continue normal operation, maintaining stability down to individual equipment level.

- **Implementation Efficiency:** By separating scheduling and equipment control modules and utilizing standardized communication protocols, our WCS significantly simplifies the deployment process. Implementation teams need only configure WMS and equipment interfaces to achieve rapid system deployment.

- **Self-diagnostic Capabilities:** Our WCS features automatic self-checking functions, which automatically detect and resolve potential issues, significantly reducing operator workload while minimizing cargo congestion time.

Robot Control System (RCS)

Our RCS delivers sophisticated fleet planning for intralogistics equipment, focusing on path planning and optimal route solutions for MSRs, AMRs, and other automated systems. The RCS addresses "how" tasks are executed by a same group of robots, managing their specific actions, movements, and collision avoidance to accomplish the discrete tasks assigned by the WCS. In a complex automated warehouse, a single WCS typically coordinates and interfaces with multiple RCS units, each managing a specific fleet of robots. Built specifically for large-scale digital factories and robot cluster equipment control, our RCS addresses the complex challenge of coordinating large-scale robot clusters while ensuring optimal path planning and efficient task allocation. As the core control system supporting our robots, our RCS is typically deployed alongside our products. It also features strong compatibility with certain third-party robots through support for public communication standards such as VDA5050, an interface developed by European industry associations to enable different brands of robots to communicate with the same control system, as well as integration via proprietary protocols. The system demonstrates several key technological advantages:

- **Intelligent Control Software:** Our RCS leverages A* optimal path solution algorithms and comprehensive microservice architecture to directly control intelligent hardware equipment. This enables both optimal task allocation and sophisticated path planning for multiple devices, with comprehensive scheduling management and control capabilities.

- **Ultra-high Volume Management:** Our RCS enables management of ultra-high volume and inventory operations, breaking through computational bottlenecks in large-scale logistics centers' tote storage systems to achieve efficient high-throughput storage requirements.

- **Data-driven Enhancement:** Our RCS utilizes advanced data processing to generate business data models, enabling predetermined plans to be optimized and adjusted based on past orders and evolving operational needs. Such analysis provides customers with important insights to continuously improve their operational effectiveness.

OUR FOUNDATIONAL TECHNOLOGIES

Our hardware and software solutions have achieved closed-loop integration of our three fundamental technologies: perceptual intelligence, computation intelligence, and control technology. Perceptual intelligence functions as the robot's sensory system, establishing mapping relationships between robots and their environment, including personnel and materials. Through effective environmental perception, it enables object detection, and navigation. Computation intelligence serves as the processing core — when receiving tasks, it determines optimal solutions and parameter configurations through mathematical modeling, digital simulation, and defined parameters. Control technology, analogous to a motor control system, coordinates various robotic components and modules, delivering consistent and precise mechanical movements. These foundational technologies form the technological bedrock that powers our comprehensive strengths in robotics development, software systems, and effective solution design and deployment.

Galaxis PI — Our Perception Intelligence

Since establishing our AI research institute in 2019, we have built a specialized team of perceptual intelligence engineers. Our research has focused on visual technology applications in logistics automation, including 3D visual depalletizing for robotic arms, precise pallet positioning for stacker cranes, visual verification for piece-picking operations, and the Eagle Eye system for warehouse storage location detection. Through the integration of super-resolution models with our proprietary recognition algorithms, we have developed a cost-effective barcode decoding system that achieves remarkable depth performance. We have also designed a unique positioning code for pose estimation that enables accurate three-dimensional pose calculation using two-dimensional images from standard cameras on cost-effective embedded platforms, ensuring precise material handling.

These technological breakthroughs are also exemplified in our VFR series, which demonstrates this capability through fork-mounted single-line LiDAR or depth cameras that provides 3D perception for precise pallet positioning. The advanced VFR-CC series features multiple sensor types that enable comprehensive environmental perception, adapting to variations in floor conditions, rack configurations, and cargo specifications while ensuring operational safety through obstacle detection and personnel safety features operational safety.

Galaxis CI — Our Computation Intelligence

Computation intelligence enables the development of sophisticated scheduling task management algorithms. Through advanced mathematical modeling and simulation, we have conducted extensive research into robotic task scheduling, path planning, deadlock resolution, goods-to-person workstation task clustering, and in-transit inventory scheduling algorithms to continuously enhance the operational efficiency of our diverse robotic fleet.

Our computation intelligence technology extend beyond individual robots to encompass entire intralogistics systems. For over a decade, we have maintained sophisticated capabilities to create comprehensive mathematical and digital simulation models based on queuing networks for all aspects of logistics operations — from receiving and storage to replenishment, picking, verification, packaging, consolidation, and shipping. This enables us to analyze and optimize processes, strategies, and parameters across the entire workflow, developing sophisticated algorithms for storage location assignment, proactive replenishment, order clustering, task allocation, picking path planning, outbound location assignment, verification station allocation, and consolidation area assignment. These algorithms allow us to validate our planning solutions, system processes, and algorithms in a risk-free virtual environment before actual implementation, while also providing reliable computational support for our WMS, WCS, and RCS software systems. Our commitment to advancing computation intelligence in logistics automation is further demonstrated through our leadership of key research initiatives, including the Zhejiang Province's "Research and Industrialization of Key Technologies for Ultra-large Scale Intelligent Multi-shuttle Systems."

Galaxis CT — Our Control Technology

We are deeply committed to researching fundamental robot control technologies, including motion control, real-time control assurance, and remote data monitoring and debugging technologies.

Our technological advancements enable notable performance across our robotics portfolio. For our VFR robots, we introduced active suspension adjustment technology, enabling effective path-planning tailored to various ground conditions while maintaining precise movement control. Our advanced motion control algorithms ensure these robots can execute smooth movements and stable turns even under unbalanced loads. We have also achieved millisecond-level control cycles, ensuring reliable performance in high-speed scenarios. We developed S-curve motion control algorithms with flexible switching between position and velocity loops in servo control, guaranteeing smooth operation (start/stop) and precise positioning (±1mm) for MSR robots. Furthermore, we have built a remote data monitoring platform that provides real-time mapping of robotic physical systems, enabling online control algorithm debugging, rapid fault diagnosis, and operational recovery.

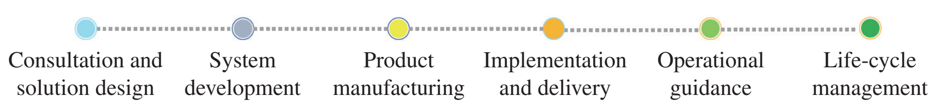
SOLUTION DESIGN AND DEPLOYMENT

Intralogistics automation comes with significant challenges, such as varying use cases, operating conditions, and diverse customer needs. Consequently, companies in this industry cannot rely on simply selling and delivering standalone robots. Instead, they must provide their products and integrated systems as part of customized projects designed to meet each customer's unique needs. Building a successful logistics center requires reliable robots and effective software, along with established expertise in designing and implementing the solution. It also requires deep industry insight, project implementation expertise, strong execution capabilities, and dedicated service support to ensure smooth deployment.

Our robots and solutions operate on two levels of flexibility: individual robots can be delivered either as standardized or customized module, while at the solution level, we can combine different types of robots to create either standardized or tailored automation systems to meet varying customer needs. The deployment of standardized versus customized solutions is primarily determined by the complexity of the operating environment and specific customer requirements. Standardized solutions are suitable for conventional warehouse settings with typical specifications, while customization is needed for facilities with unique spatial constraints, special environmental controls, or specific system integration requirements. Our robots, particularly in the MSR and VFR product lines, are designed with standardized modules that can be efficiently configured and integrated to meet specific customer requirements, enabling us to maintain operational efficiency while delivering customized solutions that address unique customer needs.

Solution Design and Deployment Framework

Our framework combines deep industry expertise with rigorous process discipline to deliver seamlessly integrated robotic systems that address our customers' specific operational requirements. This framework encompasses a comprehensive six-stage process that ensures consistent standards in solution design and deployment:



- **Consultation and solution design.** Our process begins with a deep analysis of the customer's strategic blueprint and business objectives. We work closely with customers to understand their specific operational challenges, growth trajectories, and market positioning goals. Based on this comprehensive assessment, we design and develop detailed intralogistics solution plans, selecting optimal robotic and automation hardware and software configurations that align with their strategic vision — from facility positioning to automation architecture. This foundational phase ensures our solution design not only addresses immediate automation needs but also supports long-term business scalability and market competitiveness.

- **System development.** Following the planning phase, our technical teams will tailor the required software system to enable solution implementation, incorporating all specified functionalities, workflows, and business rules. This ensures the final system delivers both the specialized capabilities needed to address specific customer needs while ensuring scalability and integration capabilities with existing infrastructure.

- **Product manufacturing.** Our hardware customization phase involves precise configuration and manufacturing of robotic equipment according to our solution blueprint tailored to each customer's unique operational environment. We maintain rigorous quality control throughout the manufacturing process to ensure optimal performance and reliability of all hardware components.

- **Implementation and delivery.** The implementation and delivery stage brings our solutions to life, through installing the manufactured equipment, implementing the developed software systems, and integrating these components into an intelligent automation solution. Our experienced teams work on-site to coordinate this comprehensive integration process, conducting thorough testing to ensure optimal system performance while maintaining minimal disruption to existing operations. Through methodical system commissioning, we ensure a smooth transition to the new automated environment.

- **Operational guidance.** Post-implementation, we focus on maximizing system value for our customers through comprehensive training and operational adaptation. Our teams work closely with customer personnel to transfer knowledge, build operational expertise, and optimize workflows as they adapt to the intelligent automation system. We provide structured support through the ramp-up phase to ensure steady progression toward peak operational performance.

- **Life-cycle management.** Our commitment extends well beyond initial deployment through comprehensive after-sales service. This includes operational guidance to ensure optimal system utilization and ongoing technical support for continuous optimization. By deeply understanding each customer's unique operational workflow, growth trajectory, and industry-specific challenges, we develop systems that integrate all aspects of intralogistics operations. This approach has been successful in enabling customers to evolve from single-facility automation to integrated multi-site systems that connect various storage spaces and operational phases.

Solution Design Methodology

Drawing from thousands of successful deployments across diverse industries, we have distilled our extensive implementation experience into a practical methodology for solution design. We have formulated a comprehensive evaluation framework of core intralogistics functions that universally apply across all industries, facility types, and business models. Within each function, this framework distills the key parameters that influence successful implementation:

Function	Parameter	Requirements
Storage (including retrieval)	Load Type	Pallets/Totes
	Facility Height	≤5m/≤10m/≤15m/≤20m/≤24m
	Storage Capacity	10k+/100k+/1m+ units
Sorting (including picking)	Throughput	100+/1,000+/10,000+ orders per hour or day
	Order Structure	Based on customer data analysis
	Item Dimensions	Size and weight
Transport	Load Type	Pallets/Totes
	Throughput	100+/1,000+/10,000+ orders per hour or day
	Scalability Requirements	High/Low

Our product combination logic complements this formula effectively. Our MSR, AMR, and CSR product lines are each engineered to excel in specific aspects while maintaining capabilities across all three core functions. This strategic versatility enables optimal combinations of our robots to create tailored solutions for diverse operational needs.

Case Studies

The systematic application of our evaluation framework has established our position as a trusted partner for intralogistics automation across diverse industries. Each successful deployment validates our methodology through measurable operational improvements, as demonstrated in the following selected case studies.

Case Study 1

Distribution operations account for a significant portion of intralogistics implementations, where such operations must manage exponential SKU growth, dynamic inventory profiles, and demanding omnichannel requirements. These facilities face the complex challenge of maintaining processing speed and accuracy while handling expanding product catalogs and high-frequency, small-batch orders.

Leveraging our deep scenario understanding, we implemented a comprehensive solution for a leading outdoor lifestyle retailer's distribution center. The facility required handling both store distribution and e-commerce operations for camping equipment and outdoor apparel, with business processes spanning receiving, quality inspection, storage, picking, verification and packing, consolidation, shipping, and returns processing.

To address high seasonal inventory fluctuations in equipment storage, we deployed a racking system of approximately 20 meters in height with MSR robots that achieves storage capacity of 28,000 pallets within 6,000m^2 floor space and enables full-pallet replenishment to all levels. To handle outdoor apparel and footwear inventory, which features diverse SKUs with shallow storage depth and primarily split-case shipping plus significant promotional peaks, we designed a flexible multi-robot solution. The system adjusts its operating mode: utilizing goods-to-person picking during regular operations, while seamlessly transitioning to person-to-goods picking with robot-supported replenishment during peak periods. This adaptive approach efficiently handles surge volumes without over-investing in equipment. The entire operation is orchestrated through integrated software systems including our WMS, WCS and RCS, enabling comprehensive facility-wide automation.

Case Study 2

Besides distribution operations, production operations form the other key segment of intralogistics implementations. Production environments typically emphasize flow optimization of ancillary parts and components, orderly delivery management, and production schedule execution. Production facilities therefore face complex challenges, where they must maintain consistent material supply while simultaneously managing diverse part variants, meeting tight assembly schedules, and upholding stringent quality requirements.

Based on our accumulated deployment experience, we implemented a comprehensive solution for a leading global telecommunications manufacturer's logistics center serving multiple production workshops across Eastern China. The facility features approximately 12,000m^2 floor area with 17m height clearance, requiring automation for over 30,000 distinct SKUs.

Our solution integrates over 90 tote-handling MSRs with automated receiving processes: automated transport systems and robotic arms manage material handling and pallet stacking, while an intelligent sampling system calculates requirements and directs samples to inspection points through our automated delivery network. For picking operations, 40 goods-to-person workstations handle online order fulfillment, while nearly 5km of conveyor systems enable unmanned delivery between the warehouse and 5 production workshops. The system also manages automated material returns to storage after picking, enabling just-in-time delivery and unmanned management of lineside materials. Upon deployment, this solution achieved over 19,436 tote storage locations with a throughput of 5,230 totes per hour, maintaining 24/7 operations to meet stringent production requirements.

Case Study 3

Within the production operations segment, new energy production facilities present unique challenges, requiring specialized safety protocols and precise environmental controls alongside standard material handling requirements.

Building on our capabilities in robotics, we implemented a specialized intralogistics solution for the lithium battery production facility of one of China's top five new energy enterprise. The facility features over 30,000m^2 floor area with 11m height clearance, requiring integrated automation across storage, sorting, and transport processes with enhanced safety protocols. We designed a customized solution integrating our specialized new energy CSR products with comprehensive safety management systems, operating along approximately 4km of dedicated conveyor systems to ensure smooth material flow throughout the battery production process covering semi-finished to finished products. The implemented solution enabled our customer to achieve over 70,000 pallet storage locations, each equipped with integrated temperature sensors across ambient and high-temperature zones. These sensors work in conjunction with our robotic systems to ensure safe production while meeting efficiency requirements.

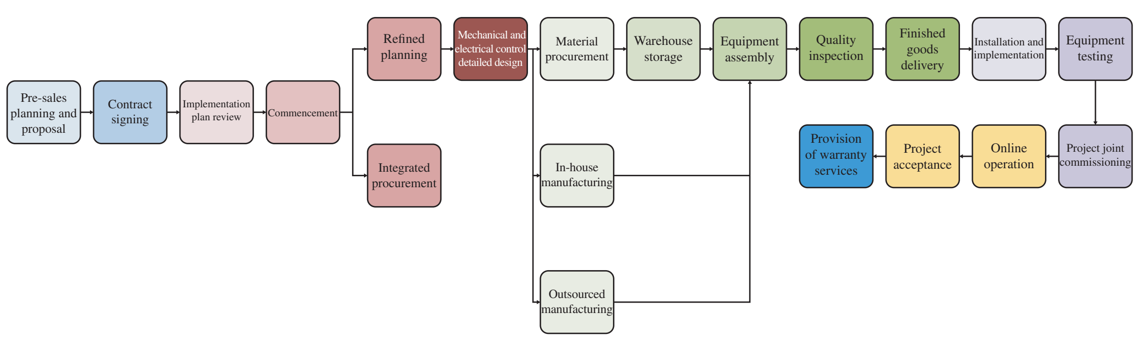
AFTER-SALES SERVICES

As part of our comprehensive customer support strategy, we offer a range of post-warranty service packages that complement our core robotics business. As we deploy more intelligent intralogistics robots and systems, our expanding customer base drives growth in after-sales services. Our service teams provide scheduled maintenance, technical support, system upgrades and performance monitoring, while also gathering valuable operational insights and building strong customer relationships. Through such ongoing customer engagement, we continuously deepen our understanding of customer needs and operational challenges, which in turn guides our product development and enables us to deliver more targeted automation solutions, creating a strong growth cycle that benefits both our customers and our business.

Our after-sales services are delivered through customized projects tailored to each customer's specific requirements, including basic maintenance programs with a typical term of one year, as well as other system optimization initiatives. Leveraging intelligent technologies and big data analytics, we are able to proactively identify and address potential system issues before they impact operations. This proactive approach, combined with our customized project-based delivery, allows us to precisely address varying customer needs while maintaining consistent service quality.

OUR BUSINESS PROCESS

The following flowchart illustrates our typical business process for our sale of robots and systems:



The typical stages and fund flow in our business process include:

Business Process	Parties Involved	Fund Flow
Pre-sales Planning and Proposal	Internal Sales and Consulting Team, Technical Team Customers*	No fund flow
Contract Signing	Internal Sales and Consulting Team, Technical Team, Legal Teams, Finance Team Customers	Initial deposit by customers
Implementation Plan Review	Project Team	No fund flow
Installation and Implementation	Technical Team Customers	Progress/milestone payments by customers
Material Management and Management	Procurement team, QC Team Warehousing Suppliers	Payments to suppliers Progress/milestone payments upon arrival or shipment
Manufacturing	Manufacturing Department, QC Team	No fund flow
Quality Control	QC Team External inspectors	Quality assurance costs to suppliers
Project Acceptance	Project Team Customers	Payment by customers
Warranty Period	After-Sales Team Customers	Payment upon end of warranty period
After-sales Services	After-Sales Team Customers	Payment by customers and payment to suppliers

Note:

* References to customers includes both enterprise customers and integrators.

The above standardized business process generally applies across our provision of single-function robot deployment and multi-function comprehensive systems. For both business segments, the key transaction steps and workflow remain fundamentally the same whether dealing directly with end-users or through integrators. In terms of roles and responsibilities, we maintain primary control over the core stages of solution and software system design, procurement, manufacturing, and quality control. In terms of our sales to integration partners, they generally have comprehensive responsibilities including detailed design of the overall system design, equipment procurement, quality inspection, delivery, as well as on-site installation and system integration. They also manage post-delivery services within the warranty period, coordinate project progress, ensure safety and quality standards, and handle infrastructure requirements including assisting clients with their lighting, roads, water supply, fire protection, and network facilities. The timespan from order placement to delivery varies significantly based on project scale, complexity of customer requirements, and scope of system integration, ranging from several weeks for standard robot units to several months for complex integrated systems.

KEY OPERATING METRICS

By Business Segment

The following table sets forth the movement of our robots and systems projects by business segment and the corresponding backlog amounts for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
Robots and Systems					
No. of projects at the beginning of the period.	116	139	166	166	191
No. of new projects	125	133	148	99	132
No. of projects fulfilled .	102	106	123	75	110
No. of projects at the end of the period	139	166	191	190	213
Opening Backlog (RMB in millions)	1,325.6	1,889.7	2,332.2	2,332.2	2,220.9
New Orders (RMB in millions)	1,267.4	1,051.8	692.9	479.6	736.8
Gross Revenue Recognized (RMB in millions)	703.3	609.3	804.2	375.6	610.0
Closing Backlog (RMB in millions)	1,889.7	2,332.2	2,220.9	2,436.2	2,347.7
Single-function Robot Deployment					
No. of projects at the beginning of the period.	50	36	45	45	92
No. of new projects	33	43	98	64	90
No. of projects fulfilled .	47	34	51	32	63
No. of projects at the end of the period	36	45	92	77	119
Opening Backlog (RMB in millions)	157.3	133.9	199.7	199.7	361.4
New Orders (RMB in millions)	100.0	152.3	313.4	259.1	239.1
Gross Revenue Recognized (RMB in millions)	123.5	86.4	151.6	123.5	154.4
Closing Backlog (RMB in millions)	133.9	199.7	361.4	335.2	447.2
Multi-function Comprehensive Systems					
No. of projects at the beginning of the period.	66	103	121	121	99
No. of new projects	92	90	50	35	42
No. of projects fulfilled .	55	72	72	43	47
No. of projects at the end of the period	103	121	99	113	94

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
Opening Backlog (RMB in millions)	1,168.3	1,755.9	2,132.5	2,132.5	1,859.5
New Orders (RMB in millions)	1,167.4	899.5	379.5	220.5	497.7
Gross Revenue Recognized (RMB in millions)	579.8	522.9	652.6	252.0	456.6
Closing Backlog (RMB in millions)	1,755.9	2,132.5	1,859.5	2,101.0	1,900.5

The table below sets forth the average revenue of each robots and systems project by business segment for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)		
Robots and systems	6,165	5,902	5,713	4,409	4,920
– Single-function robot deployment	2,414	2,319	2,602	3,455	2,170
– Multi-function comprehensive systems	9,370	6,402	7,917	5,120	8,606

The average revenue per project naturally fluctuates between periods, reflecting the mix of projects completed and recognized in each period. Revenue recognition timing depends on various project-specific factors such as customer site readiness, progress of complementary works, and integration schedules. These factors, combined with the natural variation in project scope and system requirements across our multi-function and single-function deployments, result in period-to-period variations in average revenue per project. For example, in our multi-function comprehensive systems segment, while the number of projects increased from 55 to 72 between 2022 and 2023, the average revenue per project recognized declined from RMB9.4 million to RMB6.4 million, which was due to the fact that a higher portion of our completed projects was smaller in scale. The number of completed projects with contract value under RMB10.0 million increased from 42 in 2022 to 63 in 2023, representing 76.4% and 87.5% of all projects under the multi-function comprehensive systems segment in the respective year. The subsequent increase in average revenue per project from RMB6.4 million in 2023 to to RMB8.0 million in 2024 and further from RMB5.1 million to RMB8.6 million for the nine months ended September 30, 2024 and 2025, respectively, reflects the variable nature of our project mix, as we secured a different composition of projects in these periods with varying scale and complexity requirements.

Currently, our major ongoing projects primarily entail the sale of multi-function comprehensive systems, comprising core equipment including our MSRs, AMRs, CSRs, as well as lifts and stackers. Such systems, as deployed in our ongoing projects, are primarily applied in key scenarios including pharmaceutical logistics centers and intelligent manufacturing logistics centers.

The table below sets forth our shipment volume by business segment and by key product type for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(units)		
Robots and systems	1,848	2,766	5,849	4,260	10,710
Single-function robot deployment	353	1,914	1,427	1,045	3,123
– AMR	32	6	17	12	78
– MSR	320	352	401	344	281
– CSR	1	1,556	980	660	2,747
– Others[(1)]	–	–	29	29	17
Multi-function comprehensive systems	1,495	852	4,422	3,215	7,587
– AMR	36	46	129	83	25
– MSR	252	194	429	238	415
– CSR	1,099	579	3,691	2,791	7,067
– Others[(1)]	108	33	173	103	80

Note:

(1) Other products include adaptable miniloads, stacker cranes, specialized MSR lifts, and tote lifts for optimized vertical transport and storage.

By Customers

The table below sets forth certain key customer-related metrics for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
New Customers[(1)]	**79**	**85**	**100**	**64**	**94**
Enterprise Customers	55	59	70	45	38
Integrators	24	26	30	19	56
Recurring Customers[(1)]	**84**	**115**	**148**	**131**	**143**
Enterprise Customers	56	79	109	97	103
Integrators	28	36	39	34	40
Total	**163**	**200**	**248**	**195**	**237**
Recurring Customer Rate[(2)]	52%	58%	60%	67%	60%
Average revenue per recurring customer[(3)] *(RMB'000)*	1,730	2,580	1,900	1,050	1,560

Notes:

(1) All customer-related metrics in the above table refer only to customers whose orders have resulted in recognized revenue.

(2) Recurring customers are clients who first placed orders with us in any year prior to the current year.

(3) The recurring customer rate represents the percentage of total customers who are recurring customers, calculated by dividing the number of recurring customers by the total number of customers (sum of new and recurring customers) for the same period.

(4) The average revenue per recurring customer represents the total revenue generated by the recurring customers for the relevant period divided by the number of recurring customers for the same period.

The table below sets forth the total number of projects (including after-sales services) by customer type for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2022	**2023**	**2024**	**2025**
Total no. of projects	**256**	**304**	**384**	**317**
– No. of projects with enterprise customers	141	191	275	211
– No. of projects with integrators	115	113	109	106

The table below sets forth the average revenue of each project by customer type for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2022	**2023**	**2024**	**2025**
		(RMB'000)		
Average revenue per project	**2,566**	**1,812**	**1,879**	**1,740**
– Per project with enterprise customers	3,561	1,929	1,871	1,835
– Per project with integrators	1,346	1,613	1,899	1,552

By Geographical Location

The table below sets forth the total number of projects by geographical location for the periods indicated. Specifically, we completed 9, 12, 17 and 16 overseas integration projects in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively.

	For the year ended December 31,			For the nine months ended September 30,
	2022	**2023**	**2024**	**2025**
Total no. of projects	**256**	**304**	**384**	**317**
– Chinese Mainland	246	292	363	296
– South Korea	5	4	6	8
– Israel	1	3	5	5
– Taiwan, China	1	1	1	2
– Hong Kong SAR, China	1	–	–	1
– Russia	1	–	5	2
– Others	1	4	4	3

RESEARCH AND DEVELOPMENT

R&D is core to our corporate culture. In 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our R&D expenses were RMB94.6 million, RMB85.4 million, RMB62.0 million, RMB44.8 million and RMB48.1 million, respectively. We experienced a decline in R&D expenses from 2022 to 2024, primarily because several R&D projects progressed beyond the intensive development stages in 2022-2023, and moved into later-stage testing and incremental optimization, requiring fewer resources and lower ongoing expenditure. These included the development of our integrated box and pallet conveying solutions, covering conveying, transfer, alignment and lifting functions, as well as the development of semiconductor conveying solutions, including technologies such as cleanroom-compatible contactless power and precision wafer-box positioning. Fluctuations in R&D expenses during the Track Record Period reflected the progress and life-cycle in individual projects rather than any change in the Company's strategic focus on R&D. Based on our 2025 unaudited preliminary financial information, our R&D expenses for the full year of 2025 increased further compared to 2024.

Our R&D Team and R&D Departments

As of September 30, 2025, we had a R&D team of 250 employees, accounting for approximately 29.4% of our workforce. Our R&D initiatives are backed by a team of highly experienced technical experts with profound industry expertise. Dr. GU Chunguang, our founder, chairperson of the Board and chief executive officer, has over 25 years of experience in supply chain management, logistics systems, and advanced logistics equipment technology, holds over 50 patents and was recognized as one of China's Top Ten Contributors to the Logistics Industry. Dr. YANG Yan, our executive Director and vice president, possesses extensive experience in electrical and electronic engineering and holds over 70 patents. Dr. BAI Hongxing, our executive Director, vice president and head of the AI research institute, is a technology and logistics intelligence expert with over 100 patents and patent applications. Under their collective leadership, we are well-positioned to drive continuous technological advancement and remain at the forefront of innovation in the intelligent intralogistics robotics industry. The majority of our R&D activities in respect of our products are conducted in-house, while only a small portion have been outsourced to external third parties, primarily to address the phased shortage of internal R&D resources and engage external parties with specialized expertise for the development of certain non-core technologies. The R&D timeframe varies by project scale and complexity, with an average cycle of approximately one year.

Our R&D team is primarily based in Wuhan, Wuxi, Jiaxing, Guangzhou and Wuhu, and is organized into three R&D departments — robotics R&D center, system R&D center, and AI research institute — to continuously drive innovation in our technological capabilities and R&D processes. The R&D team also works closely with our production and procurement departments in order to streamline manufacturing processes and support logistics planning.

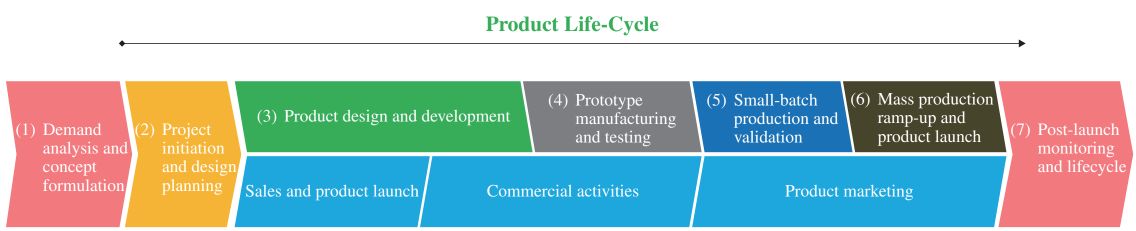
- **Robotics R&D Center.** Our robotics R&D center is responsible for robotic product upgrades and new product development. By integrating advanced vision systems, data analytics, and depth cameras with our proprietary robot positioning technology, our robotic products achieve comprehensive 360-degree monitoring and systematic obstacle detection. This enables precise identification and positioning of target totes and pallets through established protocols, significantly improving operational safety and accuracy. Building on these capabilities, we continue to leverage AI tools to enhance our robots' performance across standardized warehouse operations while reinforcing our industry leadership.

- **System R&D Center.** For software innovation, our system R&D center focuses on the development and enhancement of our set of software systems such as WMS, WCS, and RCS for effective warehouse management and control. Our software R&D activities adhere to a standardized and rigorous process, typically progressing through feasibility analysis, R&D project initiation, requirement design and review, high-level design, system design, system development, system testing, system release and R&D project closure. The R&D timeframe varies by project scale and complexity, with an average cycle of approximately one year. All our core software systems are developed in-house. Our software leads the industry in concurrent device scheduling capacity and order processing capabilities, and we plan to further strengthen performance in areas such as interference resistance, high concurrency guarantee, and millisecond-level rapid switching capabilities.

- **AI Research Institute.** Our AI research institute focuses on leveraging AI tools and developing high-value intellectual property in automated intralogistics solutions. Through leveraging AI tools, we develop high-value IP that improves our mechanical systems and strengthens our operational algorithms for intelligent intralogistics solutions.

Our R&D Process

Our R&D process involves a framework in which factors such as customer demand, including tailored requirements from key customers or strategic projects, as well as technical feasibility and economic viability are taken into consideration. Our R&D projects follow a structured and systematic process designed to seize viable commercialization opportunities and achieve efficient time-to-market. The diagram below sets out the principal steps which we generally follow in our R&D process.



(1) **Demand analysis and concept formulation.** Our product managers, along with our review committee consisting of key department heads and technical advisors, typically start the process by initiating a new R&D project based on customer needs, market opportunities and corporate strategy. First-hand customer insights accumulated through project implementation are critical in identifying unmet needs and shaping project proposals. Following market research and technical discussions, a feasibility report will be prepared based on the project proposal and submitted to our review committee for discussion and approval.

(2) **Project initiation and design planning.** Once a project proposal passes the preliminary vetting stage, a project management team will be formed to lead the project, coordinate departments to define key tasks and deliverables, and develop a detailed design and development plan, which is subject to further approval by our review committee.

(3) **Product design and development.** Once the second-stage review is approved, our R&D team will proceed with the mechanical design, electrical schematics and software development. A design review will be conducted to ensure that these outputs meet functional, safety and quality requirements. Upon validation, detailed documentation such as engineering drawings and technical manuals will be finalized to support subsequent stages.

(4) **Prototype manufacturing and testing.** Based on the detailed documentation, prototypes will be manufactured and tested according to the project's testing schedule, results of which will be presented to our review committee for approval for small-batch production. R&D project cost analysis and the collection of patent application documentation will also be carried out at this stage.

(5) **Small-batch production and validation.** Upon successful prototype validation, small-batch production will be initiated, during which product specifications, operating manuals, assembly instructions and other customer-facing materials will be finalized. Inspection standards and quality control plans will also be developed, and promotional materials will be officially released. Our review committee will then determine whether the project is ready to proceed to mass production.

(6) **Mass production ramp-up and product launch.** During this stage, our production material control, procurement, production, and quality control departments will coordinate closely, while our R&D team continues to optimize hardware and software, resolve malfunction issues, and implement cost-reduction measures as we scale up production for market launch.

(7) **Post-launch monitoring and lifecycle.** Following product launch, we provide warranty services to our customers in accordance with our agreements. Customer feedback, the availability of key components, and the overall market reception of our new products will play shape our future product development initiatives.

Strategic Roadmap for Intelligent Intralogistics Solutions

We are committed to harnessing intelligent technologies, particularly the development and application of digital twins, large models, and other advanced technologies.

Digital Twin Technology

We are advancing the integration of mathematical modeling, 3D modeling, computer simulation, and virtual-physical convergence technologies to develop a comprehensive digital twin platform. This platform is primarily designed for graphical display, focusing on visualizing physical entities such as equipment and spatial layouts in logistics scenarios in the form of digital models. Integrating mathematical modeling, 3D modeling, computer simulation, and virtual-physical convergence technologies, the digital twin platform enables us to generate detailed 3D visualizations and conduct simulations of our intra logistics solutions.

The platform's physics engine supports robotic hardware and control system development through virtual testing and validation. Using weighted directed graph models and queuing network models, we can analyze robot path planning, multi-robot coordination, and overall system efficiency. The simulation environment allows us to identify potential issues early in the development cycle, from traffic congestion to scheduling optimization. Through virtual-physical integration, the platform enables remote debugging, parameter calibration, and diagnostic support, significantly streamlining our development and maintenance processes.

Large Model Technology

We have implemented a large language model-based knowledge base to assist with product information access and solution guidance. Moving forward, we will continue enhancing our database systems with specialized models designed for logistics documentation and reference. This development focuses on improving search relevance and information accessibility across our systems. Our initiatives include using automated processing to organize solution documentation, providing standardized control interfaces for authorized operators, and developing enhanced maintenance monitoring systems that support equipment status tracking and troubleshooting reference. These tools aim to create more efficient and user-friendly interactions throughout our automation systems while maintaining the reliability and precision essential in complex logistics environments.

Robotics Technology Incorporating AI Techniques

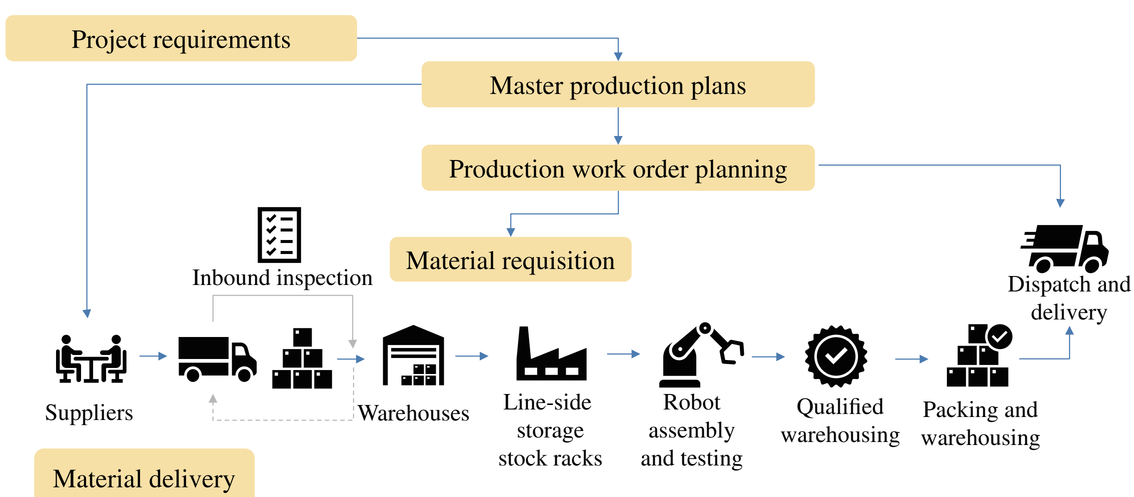
Our robots operate through coordinated sensing, processing, and mechanical systems. Going forward, we will leverage AI technologies to enhance our equipment's detection and monitoring capabilities through improved sensor technologies and established operational protocols. We aim to strengthen our robots' ability to operate effectively within defined workplace parameters and handle standardized tasks. We are developing additional features that integrate with our existing Galaxis technology framework, working toward unified systems that coordinate sensor data, processing algorithms, and control mechanisms for reliable performance. As automation technologies progress, we will continue expanding our robotics solutions to address operational requirements in logistics.

PRODUCTION

Our Production Process

We have established a highly structured and standardized production process that combines strict quality control with efficient resource management to ensure optimal output and high product quality. We formulate production schedules and plans based on market demand and customer orders, taking into consideration inventory levels and utilization rates of our production facilities. Our internal production and operational policies ensure full compliance with applicable national and international industry standards. We maintain rigorous facility inspection protocols with prompt repairs and maintenance, supported by a stringent reporting system to track any accidents and equipment malfunctions, with detailed record-keeping throughout the process.

The following diagram illustrates the principal steps of the production process generally applicable to our products.



Our Production Facilities

As of the Latest Practicable Date, we had two production facilities in Jiaxing and Wuhu. We currently manufacture all of our robots in-house at our production facilities in Jiaxing and Wuhu. Specifically, our Jiaxing factory fully assembles the MSRs and AMRs, while the Wuhu factory handles the full assembly of the CSRs. Although certain standard components and parts (such as chassis, frames and screws) were externally sourced to meet production requirements, all manufacturing processes, including assembly, were conducted internally and none of these processes are outsourced. The following table sets forth the details of our two production facilities.

Location	Approximately Gross Floor Area	Main Functions
	(square meters)	
Jiaxing	26,691	Production for MSRs, AMRs and ancillary parts and components
Wuhu	19,940	Production for CSRs and ancillary parts and components

The following tables sets forth the details of the designed production capacity, actual production volume and utilization rate of our key products' production lines during the Track Record Period.

Production Line	Designed Production Capacity(1)				Production Volume of Finished Products				Utilization Rate(2)			
	For the year ended December 31,			For the nine months ended September 30,	For the year ended December 31,			For the nine months ended September 30,	For the year ended December 31,			For the nine months ended September 30,
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
	(units)				*(units)*				*(%)*			
MSRs . .	851	851	851	707	593	555	534	566	69.7	65.2	62.7	80.1
AMRs . .	136	227	388	483	94	164	292	437	68.8	72.2	75.1	90.5
CSRs(3) .	1,005	7,743	11,835	10,413	751	7,652	11,244	10,055	74.7	98.8	95.0	96.6

Notes:

(1) Designed production capacity is calculated based on the estimated operating days of 250 days per year or 188 days per nine months for each production line, operating at ten hours per day during the Track Record Period. The variations in annual design production capacity during the Track Record Period, particularly in respect of AMRs and CSRs, were due to factors such as factory size, storage capacity, and workforce.

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

(3) The designed production capacity for our CSRs increased during the Track Record Period, primarily as a result of our proactive capacity enhancement efforts to meet rising product demand.

Quality Control

We are dedicated to maintaining high level of quality throughout our operations. To achieve this, we have designed and implemented comprehensive and effective quality control systems that oversees all aspects of our production processes, ensuring consistency and compliance with our stringent standards. Our quality control systems span the full lifecycle of our products, from design and development to procurement, production, packaging, delivery, and after-sales service. During the design phase, we conduct cross-functional reviews to refine product designs and optimize manufacturing processes. At the procurement phase, all incoming raw materials and components from trusted suppliers are rigorously inspected to ensure they meet the required specifications. Throughout the manufacturing phase, our quality control team closely monitors key checkpoints to uphold our strict quality standards. All of our products undergo comprehensive functional and performance testing before leaving the factory. Any product that does not meet our stringent requirements is either reworked, repaired, or scrapped. By maintaining a strong focus on quality throughout each stage of our operations, we deliver products that are reliable, safe, and consistently meet the expectations of our customers.

In line with our commitment to quality, we adhere to international industry standards, such as ISO 9001, as well as other safety standards and quality requirements specific to different regions. We have also customized quality control systems and engaged independent product testing and certification agencies to ensure our products comply with local regulations. To foster continuous improvement, we proactively collect feedback on quality and implement optimization measures, utilizing root cause analysis to address any potential issues. Such culture of ongoing refinement drives us to enhance our quality management systems, ensuring that we remain adaptable to industry changes and customer needs. This dedication to excellence reinforces our position as a trusted partner in the market.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any product recall, product return, customer complaint, or incurred any product liability, due to product quality issues that had a material impact on our business operations or financial position.

SALES AND MARKETING

We are deeply rooted in the domestic markets while strategically expanding our geographic reach. Through years of dedicated effort, we have successfully cultivated a broad and geographically diversified customer base spanning across 19 countries and regions. The following table sets forth a breakdown of our revenue in absolute amounts and as percentages of our total revenue by geography for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000 except for percentages)									
Chinese Mainland	579,739	88.3%	514,314	93.4%	616,501	85.5%	320,955	93.2%	510,121	92.5%
Outside Chinese Mainland	77,185	11.7%	36,476	6.6%	104,916	14.5%	23,261	6.8%	41,516	7.5%
Total	**656,924**	**100.0%**	**550,790**	**100.0%**	**721,417**	**100.0%**	**344,216**	**100.0%**	**551,637**	**100.0%**

Our Sales Team

As of September 30, 2025, we operated a dedicated sales and marketing team of 62 employees, most of whom are based in China. Equipped with profound industry knowledge and expertise, our sales and marketing team actively engages and collaborates with customers and work closely with our internal operational teams to make sure our intelligent intralogistics robots and systems achieve optimal visibility and market acceptance both in mainland China and overseas. To support customer acquisition and project development, our sales team leverages multiple channels to obtain project leads, including (i) inbound inquiries generated through brand marketing, such as phone calls, emails, and industry exhibitions; (ii) referrals from various external sources such as existing customers, shareholders and media; and (iii) direct outreach based on our sales team's personal and professional networks, such as cold calls or visits, and recommendations from business partners. To better position ourselves in key international markets and capitalize on growing global demand, we are in the process of further strengthening and expanding our sales network in Asia Pacific, Europe and North America.

Our Sales Model

We sell our products and services directly to our customers. Through our sales model, we provide comprehensive pre-sale consultation, notable solution design, and dedicated after-sales services. This direct connection enables us to gather valuable feedback on product performance, driving continuous innovation while creating additional revenue streams through ongoing maintenance and technical support services secured as a natural extension of our customer relationships.

The majority of our projects, particularly in China, are secured through competitive bidding processes, with a win rate generally ranging from 15% to 30%. We also sell to integrators, who purchase our robots to integrate into their broader warehousing solutions, which is in line with market practice according to Frost & Sullivan. For such sales, the integrators' clients typically specify their operational requirements and technical specifications during the initial project planning phase, which integrators evaluate to determine suitable equipment solutions. While these clients may have specific equipment preferences, integrators generally make the final selection of robot suppliers based on their technical assessment and project requirements. We maintain a seller-buyer relationship with our integrators, and revenue is recognized upon delivery of our robots to and acceptance by them. These partners open up new business opportunities and enhance our market reach by leveraging their deep understanding of local markets and established customer relationships, particularly valuable for our strategic international expansion where they provide crucial insights into local regulations, business practices, and customer needs.

Our overseas sales strategy focuses on maintaining and strengthening relationships with these integrators, where our overseas sales personnel actively support them in identifying and securing customer projects, as well as in project execution. In many cases, integrators take the lead in designing end-to-end warehouse solutions and, as such, play a significant role in influencing end-customers' product choices, including the selection of our robots. Their technical recommendations and established customer relationships often shape procurement decisions. Nonetheless, in certain instances, particularly when end-customers have prior exposure to our products through marketing campaigns, trade shows, or on-site demonstrations, they may express a specific preference for our robots and request the inclusion of our products into their solutions.

Key Terms of Sales Agreements

Set forth below is a summary of the key terms in our sales agreements with our customers:

- *Term.* The agreement typically includes a mutually agreed time program that outlines the expected timeline for each stage of the product implementation process.

- *Delivery.* We are generally responsible for delivering the products to locations designated by the customers in accordance with the time program specified in the agreement.

- *Technical standards.* We are required to strictly comply with the technical specifications, documentation, sample drawings, and process requirements set forth in the agreement, while ensuring that our equipment and software are compatible with the customers' operations and do not infringe upon any third-party intellectual property rights.

- *Product return or rejection.* Upon delivery, customers shall conduct prompt inspection and have the right to return or reject the products with defects specified in the agreement by notifying us immediately, and if confirmed, such replacement or re-shipment expenses shall be borne by us.

- *Payment structure and credit term.* Payment terms generally include an initial deposit upon order confirmation, with subsequent payments settled in stages upon achieving milestones of the agreement, such as placement of the purchase order, delivery notice, completion of installation and commissioning, and final acceptance, and late payment beyond a grace period shall incur interest charges. We generally grant our customers a credit period of 0-30 business days upon achieving a milestone.

- *Warranty.* We typically provide a warranty period of one to two years for our products, along with timely support depending on the nature and urgency of any malfunction, except for product damage caused by misuse, unauthorized modifications or natural disasters.

- *Limitation of Liability.* We shall not be held liable for any loss of profits, savings, or consequential damages, and our liability is strictly limited to direct claims from the customers. In no event shall our total liability exceed a specified percentage of the contract price.

- *Pricing.* Our contracts are predominantly fixed-price, covering equipment, software, installation, commissioning, logistics and project management for the originally agreed scope of work, but include terms of price adjustments in the event of changes in technical requirements or scope of project.

- *Project delays.* Project delays due to change of scope of work requirement, project site not being ready or site relocation, may result in incremental costs such as re-mobilization, travel, relocation, and short-term handling or storage. The related liabilities and risks (in particular, additional costs) are generally born by customers. In exceptional cases, the Group may bear part of the costs. Our Company believes that any incremental costs arising from project delays are not expected to have a material adverse impact on our Group's financial or operational performance as such costs are generally limited in amount and occurrence. Project delay liabilities and related costs are generally allocated by reference to the cause of delay. Where delays are attributable to customers, such as requirement changes, project site readiness or site relocations, project timelines are typically extended by mutual agreement and customers may bear certain additional costs arising therefrom.

- *Confidentiality and intellectual property rights.* All confidential information provided by either party shall not be disclosed to any third party without prior written consent. We have exclusive rights and interests in intellectual property rights of our products and customers are prohibited from copying, reverse engineering or modifying the software without our written approval.

Pricing Strategy

We charge our intelligent intralogistics robots and systems on a project basis. Our pricing strategies reflect comprehensive market and solution-specific factors, including customer segments, technical complexity, and implementation requirements across different regions and industries. We adopt a cost-plus pricing model for our intralogistics robots and systems projects, with differentiated profit margins in consideration of product demand and competitiveness. Cost considerations spanning materials, R&D, manufacturing, and post-deployment support are carefully balanced against strategic objectives like customer relationship value, product differentiation, and target margins. Projects requiring advanced robotics with sophisticated technical capabilities command premium pricing, while more standardized solutions maintain competitive market rates. Software is included as part of our project pricing, with fees collected in stages aligned to project milestones. During the included warranty period, software upgrades are provided without additional charges.

For our after-sales service rendered post-warranty, we employ a differentiated pricing strategy across our service categories (i) for post-project system maintenance services, pricing is calculated as a percentage of the original project value, typically ranging from 5% to 10%; (ii) for spare parts and components of our self-manufactured equipment, pricing is determined based on a cost-plus methodology with reasonable margins, offering competitive rates that align with product quality according to customer needs; (iii) for labor-based technical services charged by person-days, pricing is set with reference to prevailing market rates; and (iv) for system upgrade and modification projects, pricing follows our standard project quotation methodology.

We actively monitor market trends, supply chain dynamics, and cost fluctuations of key components and raw materials, adjusting our pricing periodically and adapting our strategies in response to tender processes and bidding outcomes. This comprehensive approach enables us to maintain competitiveness while ensuring appropriate returns across our offerings, supporting sustainable business growth while remaining responsive to market conditions.

Marketing

Marketing plays a critical role in the success of our operations. In China, we drive market growth through direct sales. Outside of China, we focus on direct sales to leading integrators who incorporate our robots into their offerings, enabling us to strategically expand our geographic reach effectively.

We are dedicated to enhancing our market competitiveness and strengthening our relationships with customers. Our marketing strategy leverages a combination of offline and online channels to maximize our reach and impact, primarily including:

- **Industry engagement.** We actively participate in major domestic and international industry exhibitions and conferences, where we showcase our latest products, solutions, and technological advancements to a diverse audience of customers, industry partners, and thought leaders, thereby enhancing our market visibility both in China and worldwide.

- **Customer advocacy and word-of-mouth.** Our successful customer implementations naturally create strong advocates for our brand, with satisfied customers sharing their positive experiences within their industry networks, generating valuable new business opportunities and building trust with potential customers.

- **Media channels.** We strengthen our brand presence through various media channels including our official website and WeChat Official Accounts (微信公眾號), which serve as key touchpoints for customer interaction, product information sharing, and engagement with our target audience.

- **Training promotion.** We offer comprehensive training programs designed to equip our in-house teams and customers with the knowledge and skills necessary for effective implementation of our intelligent intralogistics robots and systems, helping to reduce service costs and promote long-term self-sufficiency for our customers.

- **Supply chain ecosystem.** We build strategic relationships across the industry value chain through participation in standard-setting initiatives and alliances with key industry players, contributing to the development of industry standards and best practices while enhancing our overall competitiveness.

OUR CUSTOMERS

Our customers are primarily enterprises across diverse industries, including automotive, new energy, 3C electronics, pharmaceuticals, e-commerce, and retail, who leverage our robots and systems and after-sales service to improve the efficiency and intelligence of their intralogistics operations. We also sell to integrators, who purchase our robots to integrate into their broader warehousing solutions, which is in line with market practice according to Frost & Sullivan. Revenue generated from our top five customers in each year/period during the Track Record Period accounted for 48.0%, 49.7%, 34.3% and 27.4% of our total revenue in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, and revenue generated from our largest customer in each year/period during the Track Record Period accounted for 14.7%, 14.0%, 10.8% and 6.0% of our total revenue in the same years/period, respectively. See "Risk Factors — Risks Relating to Our Business and Industry — We had a concentration of top five customers in each year/period during the Track Record Period" for more information about the concentration risks we face relating to our top five customers in each year/period during the Track Record Period.

The following tables set forth certain information of our top five customers in each year/period during the Track Record Period.

Rank	Customer	Sales Amount	% of Total Revenue	Business Relationship Since	Customer Background	Customer Type	Project Type/Main Products/ Services Provided/ Application Scenario	Payment and Credit Term
		(RMB'000)	*(%)*					
For the nine Months Ended September 30, 2025								
1 . .	Customer N	33,148	6.0	2022	A China-based company primarily engaged in the provision of healthy products.	Enterprise customer	Multi-function comprehensive systems/stacker crane, CSRs, WMS and WCS/Automated Storage and Retrieval System	• Initial payment upon contract signing • Milestone payments upon delivery, installation and final acceptance • Typically within 30 business days upon invoicing
2 . .	Customer C	31,473	5.7	2020	A China-based company primarily engaged in the retail and distribution of pharmaceutical products and healthcare services, and listed on the Shanghai Stock Exchange.	Enterprise customer	Multi-function comprehensive systems/stacker crane, MSRs, AMRs, CSRs, WMS, WCS and RCS/Logistics center	• Initial payment upon contract signing • Milestone payments upon delivery acceptance and final acceptance • Typically within 15 business days upon invoicing
3 . .	Customer O	29,519	5.4	2023	A China-based company primarily engaged in the production of electronic products, communication engineering, and engineering constructions.	Integrator	Multi-function comprehensive systems/MSRs, AMRs, CSRs, WMS and WCS/Emergency medical supplies reserve and distribution center	• Initial payment upon receipt of funds from end customer • Milestone payments upon delivery, installation acceptance and final acceptance • Typically within seven business days upon invoicing
4 . .	Customer P	28,407	5.2	2022	A China-based company primarily engaged in the research, development and manufacturing of pharmaceutical products.	Enterprise customer[1]	Multi-function comprehensive systems/stacker cranes, CSRs, AMRs, WCS and SCADA/ Pharmaceutical automated warehouse	• Initial payment upon contract signing • Milestone payments upon delivery acceptance and final acceptance
5 . .	Customer Q	27,945	5.1	2024	A China-based company primarily engaged in cross-border logistics and warehousing services.	Integrator	Multi-function comprehensive systems/MSRs, AMRs, MFC and WCS/Logistics center	• Initial payment upon contract signing • Milestone payments upon trial operation, preliminary acceptance and final acceptance • Typically within ten business days upon invoicing
Total		**150,492**	**27.4**					

Rank	Customer	Sales Amount	% of Total Revenue	Business Relationship Since	Customer Background	Customer Type	Project Type/Main Products/ Services Provided/ Application Scenario	Payment and Credit Term
		(RMB'000)	*(%)*					
For the Year Ended December 31, 2024								
1 . .	Customer A	78,207	10.8	2022	An Israel-based company specializing in the construction, commissioning and maintenance of automated warehouses and distribution centers.	Enterprise customer	Comprehensive systems, including MSRs, AMRs, CSRs and software systems/Multi-function comprehensive systems/Logistics center	• Initial payment upon contract signing • Milestone payments upon delivery, installation and final acceptance • Typically within 3 to 10 days upon invoicing
2 . .	Customer B	74,779	10.4	2021	A China-based company primarily engaged in the research, development and manufacturing of energy storage battery systems, and listed on the Shanghai Stock Exchange.	Enterprise customer	Comprehensive systems, including New energy CSR products/Multi-function comprehensive systems/New energy production line	• Initial payment upon contract signing • Milestone payments upon delivery and acceptance • Typically within 15 business days upon invoicing
3 . .	Customer C	32,767	4.5	2020	A China-based company primarily engaged in the retail and distribution of pharmaceutical products and healthcare services, and listed on the Shanghai Stock Exchange.	Enterprise customer	Robot deployment, comprehensive systems and after-sales service, including stacker cranes, CSRs, AMRs, MSRs and software systems/Multi-function comprehensive systems/Logistics center	• Initial payment upon contract signing • Milestone payments upon initial acceptance and final acceptance • Typically within five business days upon invoicing
4 . .	Customer D	31,345	4.3	2021	A China-based company primarily engaged in the design, manufacturing and sales of outdoor products and equipment.	Enterprise customer	Robot deployment and comprehensive systems, including MSRs, AMRs, CSRs and software systems/Multi-function comprehensive systems/Logistics center	• Initial payment upon contract signing • Milestone payments upon equipment acceptance, system commissioning, trial operation and final acceptance • Typically within ten business days upon invoicing
5 . .	Customer E	31,130	4.3	2023	A global company providing visualization and display technology solutions.	Enterprise customer	Robot deployment, comprehensive systems and after-sales service, including stacker cranes, MSRs, AMRs, CSRs and software systems/Multi-function comprehensive systems/Logistics center	• Initial payment upon contract signing • Milestone payments upon delivery and final acceptance • Typically within 30 business days upon invoicing
Total		**248,228**	**34.3**					

Rank	Customer	Sales Amount	% of Total Revenue	Business Relationship Since	Customer Background	Customer Type	Project Type/Main Products/ Services Provided/ Application Scenario	Payment and Credit Term
		(RMB'000)	*(%)*					
For the Year Ended December 31, 2023								
1 . .	Customer F	77,014	14.0	2021	A China-based company focusing on development and manufacturing of intelligent equipment and automation solutions, and listed on the Shanghai Stock Exchange.	Integrator	Comprehensive systems and others, including new energy CSR products in the high-bay warehouses/Multi-function comprehensive systems/Automated Storage and Retrieval System	• Initial payment upon contract signing • Milestone payments upon delivery and final acceptance • Typically within ten business days upon invoicing
2 . .	Customer G	73,185	13.3	2020	A leading logistics company in China listed on the Shenzhen Stock Exchange and HKEx.	Enterprise customer	Comprehensive systems, after-sales service and others, including stacker cranes, MSRs, AMRs, CSRs and software systems/Multi-function comprehensive systems/Logistics center	• Initial payment upon contract signing • Milestone payments upon installation, preliminary acceptance and final acceptance • Typically within ten business days upon invoicing
3 . .	Customer B	54,089	9.8	2021	A China-based company primarily engaged in the research, development and manufacturing of energy storage battery systems.	Enterprise customer	Comprehensive systems, including new energy CSR products in the new energy production logistics/Multi-function comprehensive systems/New energy production line	• Initial payment upon contract signing and prior to delivery • Milestone payments upon acceptance
4 . .	Customer H	44,248	8.0	2021	A China-based company primarily engaged in the provision of logistics technology solutions and services.	Enterprise customer	Comprehensive systems, including MSRs, CSRs and software systems in the high-bay warehouses/Multi-function comprehensive systems/Automated Storage and Retrieval System	• Initial payment upon contract signing • Milestone payments upon delivery and acceptance • Typically within ten business days upon invoicing
5 . .	Customer I	25,124	4.6	2020	A China-based company specializing in research, development and manufacturing of high-end precision electronics and intelligent hardware.	Enterprise customer	Comprehensive systems, including Stacker cranes, MSRs, CSRs and software systems in the high-bay warehouses/Multi-function comprehensive systems/Automated Storage and Retrieval System	• Initial payment upon contract signing • Milestone payments upon delivery and acceptance • Typically within 20 business days upon invoicing
Total		**273,660**	**49.7**					

Rank	Customer	Sales Amount	% of Total Revenue	Business Relationship Since	Customer Background	Customer Type	Project Type/Main Products/ Services Provided/ Application Scenario	Payment and Credit Term
		(RMB'000)	*(%)*					
For the Year Ended December 31, 2022								
1 . .	Customer J	96,443	14.7	2019	A global leader in providing comprehensive telecommunication solutions based in China, and listed on the Shenzhen Stock Exchange and HKEx.	Enterprise customer	Robot deployment and comprehensive systems including AMRs, stacker cranes, MSRs, CSRs and software systems/Single-function robot deployment and Multi-function comprehensive systems/Logistics center	• Initial payment upon contract signing • Milestone payments upon delivery and acceptance
2 . .	Customer G	80,011	12.2	2020	A leading logistics company in China listed on the Shenzhen Stock Exchange and HKEx.	Enterprise customer	Comprehensive systems and after-sales service, including stacker cranes, MSRs, AMRs, CSRs and software systems/Multi-function comprehensive systems/Logistics center	• Initial payment upon contract signing • Milestone payments upon delivery, preliminary acceptance and final acceptance • Typically within 30 days upon invoicing
3 . .	Customer K	56,200	8.6	2020	A Hong Kong-based company offering solution design and consultancy, logistics automation, and operations improvement services.	Enterprise customer	Comprehensive systems, including MSRs, CSRs and software systems/Multi-function comprehensive systems/Logistics center	• Initial payment upon contract signing • Milestone payments upon delivery, preliminary acceptance and final acceptance • Typically within 7 to 14 days upon invoicing
4 . .	Customer L	47,947	7.3	2021	A China-based company primarily engaged in the research, development, manufacturing and sales of commercial vehicles, and listed on the Shenzhen Stock Exchange.	Enterprise customer	Comprehensive systems, including tacker cranes, MSRs, CSRs and software systems/Multi-function comprehensive systems/Automated Storage and Retrieval System	• Initial payment upon contract signing • Milestone payments upon installation and final acceptance
5 . .	Customer M	34,273	5.2	2019	A leading consumer electronics and mobile communications company based in China.	Enterprise customer	Comprehensive systems, including stacker cranes, MSRs, CSRs and software systems in the high-bay warehouses	• Initial payment upon contract signing • Milestone payments upon installation and commissioning, acceptance and final acceptance
Total		**314,874**	**48.0**					

Our Directors confirm that, save for Customer G, none of our Directors, their respective associates or, to the best of their knowledge, any Shareholder holding more than 5% of our issued share capital, held any interest in any of our top five customers in each year/period during the Track Record Period.

Our largest customer in 2024 was an Israel-based company. While the ongoing regional conflict involving Israel had caused some delays in acceptance testing, the project implementation for this customer continues to advance. As of the Latest Practicable Date, we continued to engage and make progress on development and planning work and deliverables according to the revised schedule. Based on the current status of the project and the information available to us, our Directors believe that the regional conflict has not, and is not expected to, result in any material disruption to the implementation of this project or to our overall business operations and financial performance. We will continue to evaluate geopolitical risks as part of our broader risk management practices and take appropriate measures as necessary to mitigate potential adverse effects.

PROCUREMENT AND SUPPLIERS

Procurement

We invite tenders or obtain quotes from suppliers and assess and select suitable suppliers with reference to a variety of factors, including their quality, qualifications and reputation, cost, delivery, service and collaboration, technology and innovation, and sustainability and ESG practices. We perform thorough due diligence on our suppliers, request sample testing prior to procurement and regularly monitor and review their performance to standardize purchasing practices, ensure product quality and timely supply while minimizing procurement costs and risks.

Agreements with Suppliers

We typically enter into annual framework agreements with our suppliers for standard components which set out the general terms and conditions governing our cooperation, and place separate purchase orders based on actual production needs. Below sets forth the salient terms of the agreements with our suppliers.

- ***Product specification.*** We specify the product type, unit price, quantity, delivery timeline, tax rate, payment terms and other items in each purchase order we send to our suppliers.

- ***Payment and credit term.*** Payment terms granted by our suppliers vary depending on a number of factors including the size of the transactions and the types of products purchased. We generally are granted a credit period of 15 to 90 days following back-to-back terms with our customers by our suppliers.

- ***Logistics.*** We are responsible for making timely payments to our suppliers, who are responsible for delivering qualifying products to our designated warehouses.

- ***Quality guarantee.*** Products are typically accepted in accordance with our specifications, as well as national, local and industry standards. Should any quality issues arise during the warranty period, the supplier shall be responsible for replacement or providing on-site support.

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

During the Track Record Period and as of the Latest Practicable Date, we had not encountered any disruption of business as a result of a shortage or any delay in our procurement.

Our Suppliers

Our suppliers primarily include suppliers of raw materials, standard components, shelving systems, conventional intelligent equipment and other ancillary equipment for our intelligent intralogistics robots and systems. Purchases from our top five suppliers in each year/period during the Track Record Period accounted for 14.0%, 14.6%, 33.5% and 18.4% of our total purchases in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, and purchase from our largest supplier in each year/period during the Track Record Period accounted for 5.1%, 4.4%, 14.6% and 5.2% of our total purchases in the same years/period, respectively. The following table sets forth certain information of our top five suppliers in each year/period during the Track Record Period.

Rank	Supplier	Purchase Amount	% of Total Purchases	Business Relationship Since	Supplier Background	Products/Services Purchased
		(RMB'000)	*(%)*			
For the Nine Months Ended September 30, 2025						
1 . . .	Supplier B	13,968	5.2	2020	A global company primarily engaged in the design, manufacturing and installation of automated warehouse storage systems and logistic solutions.	Racking systems
2 . . .	Supplier J	11,512	4.3	2021	A China-based company primarily engaged in the development of integrated software for intelligent control systems and the manufacturing of industrial robots.	Conveyor equipment
3 . . .	Supplier K	9,916	3.7	2021	A global company primarily engaged in providing equipment design, installation, renovation and repair, as well as inspection and testing services.	Automated sorting system
4 . . .	Supplier L	7,480	2.8	2023	A China-based company primarily engaged in the manufacture and sales of metal products, storage racks, conveyor components and automated warehouse systems.	Racking systems
5 . . .	Supplier M	6,596	2.4	2018	A China-based company primarily engaged in the manufacture, processing, sales and maintenance of precision machinery and components, machine tools and parts, hardware accessories, molds, measuring tools and instrumentation equipment.	Machined parts
Total		**49,472**	**18.4**			
For the Year Ended December 31, 2024						
1 . . .	Supplier A	70,796[(1)]	14.6	2019	A China-based company focusing on the manufacturing of automation equipment.	Conveying equipment
2 . . .	Supplier B	28,007	5.8	2020	A global company primarily engaged in the design, manufacturing and installation of automated warehouse storage systems and logistic solutions.	Racking systems
3 . . .	Supplier C	27,520	5.7	2019	A China-based company primarily engaged in the research, development and manufacturing of industrial storage equipment and warehouse racking systems.	Warehouse system
4 . . .	Supplier D	23,894	4.9	2023	A leading company engaged in the development and manufacturing of industrial robots, automated guided vehicles and intelligent manufacturing systems based in China, and listed on the Shenzhen Stock Exchange.	Automated stereoscopic warehouse
5 . . .	Supplier E	11,950	2.5	2018	A state-owned enterprise in China primarily engaged in the research, development and manufacturing of electronic equipment and communication devices.	Integrated equipment, production materials and service
Total		**162,167[(1)]**	**33.5**			

Note:

(1) The designation of Supplier A by a customer for a specific project in 2024 resulted in higher procurement volume from this supplier. This contributed to an overall increase in purchases from our top five suppliers in 2024 compared to other years/period during the Track Record Period.

Rank	Supplier	Purchase Amount	% of Total Purchases	Business Relationship Since	Supplier Background	Products/Services Purchased
		(RMB'000)	*(%)*			
For the Year Ended December 31, 2023						
1 . . .	Supplier B	28,614	4.4	2020	A global company primarily engaged in the design, manufacturing and installation of automated warehouse storage systems and logistic solutions.	Racking systems
2 . . .	Supplier C	21,397	3.3	2019	A China-based company primarily engaged in the research, development and manufacturing of industrial storage equipment and warehouse racking systems.	Warehouse system
3 . . .	Supplier A	15,803	2.5	2019	A China-based company focusing on the manufacturing of automation equipment.	Conveying equipment
4 . . .	Supplier F	15,116	2.3	2023	A China-based company specializing in electronic equipment and security systems.	Motor
5 . . .	Supplier G	13,697	2.1	2022	A China-based company primarily engaged in the development and application of machine vision technology and intelligent visual inspection systems.	Detection system
Total		**94,627**	**14.6**			
For the Year Ended December 31, 2022						
1 . . .	Supplier B	35,895	5.1	2020	A global company primarily engaged in the design, manufacturing and installation of automated warehouse storage systems and logistic solutions.	Racking systems
2 . . .	Supplier C	18,871	2.7	2019	A China-based company primarily engaged in the research, development and manufacturing of industrial storage equipment and warehouse racking systems.	Warehouse system
3 . . .	Supplier H	15,546	2.2	2019	A German-headquartered company primarily engaged in the development and production of drive technology, motion control and power electronics solutions for industrial automation.	Motor
4 . . .	Supplier G	15,189	2.1	2022	A China-based company primarily engaged in the development and application of machine vision technology and intelligent visual inspection systems.	Detection system
5 . . .	Supplier I	13,727	1.9	2020	A China-based company primarily engaged in the research, development and manufacturing of industrial automation equipment and intelligent control software.	Detection system
Total		**99,228**	**14.0**			

Our Directors confirm that, none of our Directors, their respective associates or, to the best of their knowledge, any Shareholder holding more than 5% of our issued share capital, held any interest in any of our top five suppliers in each year or period during the Track Record Period.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

In 2022, 2023 and 2024 and the nine months ended September 30, 2025, to the best knowledge and belief of our Directors, one of our top five customers in each year/period during the Track Record Period, Customer G, was also our supplier in the respective years, and three of our top five suppliers in each year/period during the Track Record Period, Supplier A, Supplier B, and Supplier E, were also our customers in the respective years/period. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, our sales to and purchases from such suppliers who were also our customers in the respective year/period comprised: (i) sales amounting to RMB43.7 thousand, RMB583.2 thousand, RMB4.9 million and RMB143.3 thousand, respectively, accounting for 0.0%, 0.1%, 0.7% and 0.0% of our total revenue in the respective year/period; and (ii) purchases amounting to RMB48.4 million, RMB46.6 million, RMB110.7 million and RMB19.5 million, respectively, accounting for 6.9%, 7.2%, 22.9% and 7.3% of our total purchases in the respective year/period. The gross profit from our sales to such suppliers amounted to RMB28.7 thousand, RMB280.4 thousand, RMB1.4 million and RMB76.3 thousand in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively, with corresponding gross profit margins of 65.7%, 48.1%, 28.6% and 53.2% for the same year/period, respectively.

During the Track Record Period, we provided multi-function comprehensive systems and after-sales service to Customer G, and the purchases we made were for the logistics-related products and services from such customer, primarily comprising a gravity-based racking automation control system allowing goods to slide automatically on inclined tracks by their own weight. During the same years/period, our sales to such customer amounted to RMB80.0 million, RMB73.2 million, RMB1.4 million and RMB0.4 million, respectively, accounting for 12.2%, 13.3%, 0.2% and 0.1%, respectively, of our total revenue, and our purchases from such customer amounted to nil, nil, RMB8.5 million and nil, respectively, accounting for nil, nil, 1.7% and nil of our total purchases, respectively. The gross profit from our sales to such customer amounted to RMB19.0 million, RMB16.2 million, RMB0.8 million and RMB0.3 million in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, with corresponding gross profit margins of 23.8%, 22.2%, 55.0% and 83.6% for the same years/period, respectively.

During the Track Record Period, the purchases we made from Supplier A were for the conveying and sorting equipment requested by our clients to be integrated into our intelligent intralogistics robots and systems, and we provided after-sales service to such supplier for the robots and systems we previously delivered, as part of its role as an integrator in sales to end customers. During the same years/period, our purchases from such supplier amounted to RMB11.5 million, RMB15.8 million, RMB70.8 million and RMB5.3 thousand, respectively, accounting for 1.6%, 2.5%, 14.6% and 0.0%, respectively, of our total purchases, and our sales to such supplier amounted to nil, nil, RMB10.5 thousand and nil, respectively. The gross profit from our sales to such supplier amounted to nil, nil, RMB4.9 thousand and nil in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, with corresponding gross profit margins of nil, nil, 46.4% and nil for the same years/period, respectively.

During the Track Record Period, the purchases we made from Supplier B were mainly for the shelving systems to be integrated into our intelligent intralogistics robots and systems, and we provided after-sales service to such supplier for the robots and systems we previously delivered, as part of its role as an integrator in sales to end customers. During the same year/period, our purchases from such supplier amounted to RMB35.9 million, RMB28.6 million, RMB28.0 million and RMB14.0 million, respectively, accounting for 5.1%, 4.4%, 5.8% and 5.2%, respectively, of our total purchases, and our sales to such supplier amounted to RMB20.1 thousand, nil, nil and RMB71.3 thousand, respectively. The gross profit from our sales to such supplier amounted to RMB19.4 thousand, nil, nil and RMB48.9 thousand in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, with corresponding gross profit margins of 96.8%, nil, nil and 68.6% for the same year/period, respectively.

During the Track Record Period, the purchases we made from Supplier E were mainly for the latent-type AGVs to be integrated into our intelligent intralogistics robots and systems for specific project applications. At the same time, we also provided certain of our self-developed robots and solution design services to enable their broader warehousing solutions. The Company does not resell the equipment to Supplier E after integration, and the products purchased from and sold to Supplier E are different types of products. During the same years/period, our purchases from such supplier amounted to RMB1.0 million, RMB2.2 million, RMB11.9 million and RMB5.5 million, respectively, accounting for 0.1%, 0.3%, 2.5% and 2.1%, respectively, of our total purchases, and our sales to such supplier amounted to RMB23.6 thousand, RMB0.6 million, RMB4.9 million and RMB72.0 thousand, respectively, accounting for 0.0%, 0.1%, 0.7% and 0.0% of our total revenue, respectively. The gross profit from our sales to such supplier amounted to RMB9.3 thousand, RMB0.3 million, RMB1.4 million and RMB27.4 thousand in 2022, 2023 and 2024 and the nine months ended September 30, 2025 respectively, with corresponding gross profit margins of 39.4%, 48.1%, 29.0% and 38.0% for the same year/period, respectively.

According to Frost & Sullivan, it is common in the intelligent intralogistics robotics industry for customers and suppliers to overlap, given the diverse, dynamic and sometimes complementary nature of their business interactions. Our Directors confirmed that negotiations of the terms of our sales to and purchases from Customer G, Supplier A, Supplier B, and Supplier E as both of our customers and suppliers were conducted on an individual basis and as a result, the sales and purchases were neither connected with nor conditional upon each other. All of our sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on an arm's length basis.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics and Warehouses

We utilize our own warehouses for storing finished products, semi-finished products and raw materials, allowing us to closely monitor inventory levels and maintain product quality at all stages. Products that have passed quality inspections are either shipped directly from our production facilities to customers through logistics and warehousing providers we collaborate with, or transported to our designated warehouses through our self-managed internal logistics system for further distribution. By leveraging our hybrid logistics model and self-managed warehousing infrastructure, we are able to optimize operational efficiency, uphold stringent quality standards and ensure timely deliveries to our customers.

Inventory Management

Our inventories mainly include (i) raw materials required for the production of our robots and systems, and (ii) finished goods, and work in progress and equipment required for system integration. As of December 31, 2022, 2023 and 2024 and September 30, 2025, our inventories were RMB769.2 million, RMB1,062.4 million, RMB1,023.5 million and RMB889.3 million, respectively. Our inventory turnover days were 434 days, 728 days, 626 days and 561 days in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, which primarily reflected the project-based nature of our business, where we maintain materials for customer-specific projects that typically span across the project execution timeline. See "Financial Information — Description of Selected Items from the Consolidated Statements of Financial Position — Inventories" for more details.

We have implemented and continually refined a multi-faceted approach to address the elevated inventory turnover days during the Track Record Period. While the increase from 434 days in 2022 to 728 days in 2023 reflected market challenges and project delays, our subsequent reduction to 626 days in 2024 and and further to 561 days for the nine months ended September 30, 2025 demonstrates the early effects of our strategic intervention, which we believe will enable us to continue this improvement trajectory.

Our inventory comprises two main components: raw materials for production, and more significantly, finished goods and work in progress, which includes both warehouse inventory stored at our production bases and inventory delivered to project sites awaiting acceptance, with the latter constituting the larger portion of our inventory. This composition reflects the nature of our business model, where a substantial portion of our inventory relates to projects pending customer acceptance and cost recognition. We have implemented targeted measures for each component.

- For inventory delivered to project sites awaiting acceptance, we have focused our improvement efforts on strengthening operational controls in two key areas. First, we are accelerating the development of our digital supply chain infrastructure to achieve real-time, instant digitalization of operational results. This enables rapid identification and resolution of process issues, supporting faster project acceptance. Second, we are optimizing our project operations management resources and enhancing coordination capabilities for problem resolution, building a more strong organizational support structure.

- At our production bases in Jiaxing and Anhui, our inventory control measures have shown strong results. We have introduced standardized production-to-delivery workflows that better coordinate production with on-site installation improved project execution. As a result of these measures, our production output value has improved during the Track Record Period. Our Jiaxing and Anhui production bases showed efficiency gains and year-on-year production improvement rates of 85.1% and 10.9% respectively as of September 30, 2025, with both production bases maintaining lower warehouse inventory levels even as production output continued to grow.

To further improve efficiency, we have introduced standardized production-to-delivery workflows that better coordinate factory completion with on-site installation. This includes enhanced tracking mechanisms for equipment installation and acceptance status, ensuring better synchronization between production schedules and actual project progress. Our improved systems also enable more efficient handling of design changes during the production process, with clear protocols for incorporating modifications while maintaining production efficiency. As a result of these improvements, our material procurement and delivery planning has maintained an average on-time delivery rate of approximately 80% across our production facilities over recent months, demonstrating effective alignment between material purchasing and project execution needs.

These measures have been showing early positive results in our inventory turnover metrics, as evidenced by the reduction in our total inventory from RMB1,062.4 million as of December 31, 2023 to RMB889.3 million as of September 30, 2025. While we maintain necessary inventory levels to ensure timely project delivery, we expect continued improvement as these systems mature and additional optimization opportunities are identified and implemented, with our management team maintaining strong focus on inventory efficiency while ensuring high standards of project delivery and customer service.

DATA PRIVACY AND SECURITY

We sell our intelligent intralogistics robots and systems in China and worldwide. From time to time, upon obtaining proper prior consent, we collect, store, process and use certain data collected from our customers, suppliers or other third parties in the ordinary course of our business to ensure the functionality, reliability and efficiency of our intelligent intralogistics robots and systems. Such data primarily includes our customers' contact details, as well as their business operational data such as their warehouse conditions, technical specifications and other business information for delivery and improvement purposes. In addition, we collect the personal information of our employees, including their phone numbers, during the onboarding process. We also collect customer feedback data on the products and services we provide. All such data collected by us is stored on third-party cloud servers located within the territory of 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 or provision of data to third parties in the ordinary course of business. We do not collect or access any sensitive personal information from our employees, customers, suppliers or other third parties. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material non-compliance, administrative penalties, pending or threatened litigation or disputes in relation to data privacy and security laws and regulations in other jurisdictions where we operate.

We are committed to data privacy and data security and have established a comprehensive set of internal policies and procedures on cybersecurity, data security, data backup and recovery, data protection, security emergency plan, and information security incident management. These measures include the deployment of firewalls, encryption protocols, and advanced security technologies such as intrusion prevention and endpoint detection systems. Additionally, we conduct regular security assessments and vulnerability scans to proactively detect and mitigate potential risks related to cybersecurity and data protection. Our commitment to data security is further validated through ISO 27001 certification, which demonstrates our adherence to globally recognized standards for information security management. We also continuously monitor regulatory developments in cybersecurity and data protection to ensure full compliance with applicable laws and regulations and industry best practices. Through these efforts, we aim to cultivate a secure environment that safeguards the interest of our stakeholders while maintaining strong data privacy and security practices within the industry.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any claims by customers, or administrative penalties from regulatory authorities regarding personal information leakage, misuse or any other related matters, and we had not received any third-party claim against us on the ground of infringement of such party's right to data protection as provided by any applicable laws and regulations. In addition, our Directors and PRC Legal Advisors are of the view that, during the Track Record Period and up to the Latest Practicable Date, we had not recorded any material leakage of data, breaches of confidential business information, or violations of cybersecurity, data protection and privacy laws, rules and regulations by any competent regulatory authorities.

INTELLECTUAL PROPERTY

In addition to relying on intellectual property laws and regulations in China and other jurisdictions, we also protect our intellectual property rights through a series of management measures, including actively tracking the registration and authorization status of intellectual properties and promptly addressing potential conflicts, and clearly stating ownership and protection rights of intellectual properties through confidentiality agreements with our employees and contractual agreements with third parties.

As of the Latest Practicable Date, we held 358 registered patents, 108 trademarks, 181 software copyrights, 2 copyright of works and 7 domain names in China. As of the same date, we also held 21 registered patents and 16 trademarks overseas. For details of our intellectual property rights, see "Appendix VI — Statutory and General Information — B. Further Information About Our Business — 2. Intellectual Property Rights."

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material intellectual property infringement claims or experienced any material intellectual property infringement by third parties that would materially and adversely affect our business, financial condition or results of operations. For more information about the risks we face relating to our intellectual property rights, see "Risk Factors — Risks Relating to Our Intellectual Property."

COMPETITION

The intelligent intralogistics robotics industry is highly competitive, with rapid technological advancements driving both domestic and international markets. While our strong research and development capabilities provide us with a competitive advantage, we face intense competition from comprehensive intelligent intralogistics robotics companies offering end-to-end systems covering storage, sorting and transport operations, and specialized players focusing on specific robotic categories, as well as companies with non-core but nevertheless commercially significant intralogistics robotics operations. Critical aspects of competition include product portfolio capabilities, technical capabilities, strong customer relationships and deep industry understanding, which are essential for vying for market share. Advances in core robotics technology and AI integration, such as the emergence of embodied AI, present significant opportunities for new entrants with disruptive technologies, further intensifying the competition. See "Industry Overview" for details.

We believe we can compete effectively through our focused strategy and differentiated capabilities in the intelligent intralogistics robotics industry. Our robotics portfolio covers the entire spectrum of intralogistics operations, addressing the core functions of storage, sorting and transport. We are among the established players with broad robotics capabilities and a diverse portfolio of self-developed robots that cover core intralogistics functions across widely adopted height and payload specifications. With over a decade of long-standing commitment to innovation in intralogistics intelligentization, we ranked the fifth among comprehensive intelligent intralogistics robotics companies in China by revenue in 2024.

Across our product range, we consistently demonstrate competitive technical specifications compared to peers. Our solutions deliver strong performance across multiple parameters — from vertical storage solutions reaching ~9m heights (versus peers' 3-4m) to transport systems operating at ~5 m/s (versus 1-3 m/s). Our robots are capable of achieving positioning accuracy of ±2mm while handling significant payloads up to 1,500kg. These enhanced capabilities translate into greater warehouse space utilization and improved operational efficiency for our customers' facilities, as demonstrated by over 1,600 successful project implementations, including multiple large-scale projects exceeding RMB100 million.

Our strong R&D capabilities enable us to rapidly introduce and iterate new products, supported by our growing portfolio of proprietary technologies. We excel particularly in solution design and execution for complex cases, where our deep technical expertise and integration capabilities allow our robots to work seamlessly with proprietary software systems. These technological advantages, combined with our expanding sales coverage and fast-growing overseas presence, allow us to develop solutions that effectively address specific market needs. We focus on leveraging these capabilities through our integrator network, who can combine our high-performance robots with their end-to-end solutions. This approach allows us to maintain technological competitiveness while benefiting from our partners' established customer relationships and industry expertise, particularly valuable in an environment where product capabilities and customer relationships are critical competitive factors.

SEASONALITY

We experience seasonality in our business, primarily because of seasonal demand patterns, industry supply chain dynamics, and customer production cycles. Many of our customers — particularly those purchasing our multi-function comprehensive systems — tend to set annual budgets and place orders toward the second half of the calendar year. These seasonal ordering trends often result in a higher volume of orders in the fourth quarter, with corresponding revenue typically recognized in the second half of the following year, after project completion and customer acceptance. We expect the impact of seasonality on our business to remain in the future. However, our historical periodical results may not be comparable to or indicative of future performance. See "Risk Factors — Risks Relating to Our Financial Prospects — Our results of operations may be affected from period to period due to the seasonality of our business and fluctuations in our operating costs" in this document for details of the risks associated with the seasonality effect on our business operations.

EMPLOYEES

As of September 30, 2025, we had a total number of 849 employees, substantially all of whom were located in China. The following table sets forth the number of our employees by function as of September 30, 2025.

Function	Number of Employees	Percentage
Implementation	253	29.8%
Research and Development	250	29.4%
Production and Supply Chain Management	203	23.9%
General Administration	81	9.5%
Sales and Marketing	62	7.3%
Total	**849**	**100.0%**

Our success depends on our ability to attract, retain, and motivate qualified personnel. We offer employees competitive salaries, performance-based cash bonuses and other incentives. We recruit our employees primarily through on-campus job fairs, industry referrals, online channels and headhunting agencies. We offer new employee orientation training, regular on-the-job training and access to online learning platforms to enhance the skills and knowledge of our employees. Bonuses are generally discretionary and based in part on the overall performance of our business and in part on employee performance. We have adopted a plan to grant share-based incentive awards to our eligible employees to incentivize their contributions to our growth and development.

We enter into standard employment as well as confidentiality and non-competition agreements with all of our employees in accordance with market practice. The confidentiality and non-competition agreements with our key personnel typically include a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and typically for two years after the termination of his or her employment, provided that we pay a certain amount of compensation during the restriction period.

Our employees have set up a labor union in China according to the relevant PRC labor law. We believe that we maintain a good working relationship with our employees, and we did not experience any material labor disputes or work stoppages or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date. No collective bargaining agreement has been put in place.

INSURANCE

We maintain certain insurance policies to safeguard us against risks and unexpected events, including employer liability insurance and accident insurance. We do not maintain any business interruption insurance or key man life insurance, nor do we carry any product liability insurance for our products or our overseas business. Based on (i) a review of our existing contractual documentation for our overseas operations and our experience in conducting overseas business operations, during which we have not been required under the laws of the relevant overseas jurisdictions to obtain any mandatory product liability insurance, and (ii) review of the relevant legal and regulatory requirements in the jurisdictions in which we operate, during which we did not identify any requirements to obtain any mandatory product liability insurance, our Directors confirm that we are not required by applicable laws or regulations to obtain product liability insurance for our overseas business in the jurisdictions in which we have business presence. As advised by our PRC Legal Advisors, such coverage is not legally required under the PRC laws. If our products contain defects that cause harm to other parties, the aggrieved party has the right to claim compensation from us for the losses incurred. According to Frost & Sullivan, our insurance coverage is consistent with that of other companies of similar size and business nature in China.

Our Directors are of the view that our insurance coverage is sufficient and adequate and is in line with customary industry practices, and that product liability insurance is not necessary. We periodically review our insurance coverage to ensure that it is adequate. During the Track Record Period and up to the Latest Practicable Date, we have not made or been the subject of any material insurance claims, including those relating to product liability. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. For a discussion of risks relating to our insurance coverage, see "Risk Factors — Risks Relating to Our Business and Industry — We have limited insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As a well-recognized provider of intelligent intralogistics robots systems, we recognize that our business success is intrinsically linked to our broader societal impact, which is critical to our sustained growth. Since our inception, we have adopted as our long-term strategic goal to promote environmental sustainability, support and participate in socially responsible projects, and adhere to a high standard of corporate governance.

We have implemented various ESG-related initiatives across our operations, including the adoption of environmental management practices, employee safety and well-being programs, and transparent governance structures to ensure compliance and accountability. During the Track Record Period, our ESG compliance costs amounted to RMB446.8 thousand, RMB575.3 thousand, RMB1.1 million and RMB844.5 thousand, respectively. We expect these costs to increase in the future in line with the growth of our business and our continued commitment to sustainable development.

ESG Governance

We attach great importance to environment, social and governance ("ESG") and strive to build a sustainable ecosystem comprising of our employees, business partners and end-customers. Our Board is fully responsible for setting up ESG policies and strategies, overseeing ESG-related issues, monitoring and reviewing of progress made against targets to ensure mechanism effectiveness, and fostering a culture of acting in accordance with our core ESG values.

To further enhance the Board's ESG capabilities, we conduct regular ESG training sessions for our Board members at least once a year. These sessions ensure that the Board stays informed about emerging ESG trends, evolving regulatory requirements, and best practices. When necessary, external ESG experts are engaged to provide professional advice to the Board on complex ESG-related issues, ensuring that the Board is well-equipped to address both challenges and opportunities as they arise.

Additionally, business departments are required to submit ESG-related data on a quarterly basis, which will be consolidated into a comprehensive report for the Board's review. This ensures timely identification of risks and the ability to act quickly on emerging issues. If any significant ESG event occurs, such as environmental penalties or supply chain disruptions, the Board will convene an extraordinary meeting to discuss and approve necessary actions in a timely manner. By enhancing these reporting mechanisms and the frequency of reviews, we ensure that the Board remains actively engaged in overseeing and guiding our ESG performance, reinforcing our commitment to a sustainable future for all stakeholders.

To strengthen our sustainability capabilities, improve our governance structure and enhance our ESG performance, we expect to establish an ESG committee, which will be responsible for overseeing ESG-related issues and guiding the development of our ESG initiatives. The ESG committee will consist of senior executives, heads of various functional departments and staff with a solid understanding of current and emerging ESG-related issues, and will report directly to our Board on all the ESG-related matters. Its responsibilities will include developing, implementing, and periodically reviewing our ESG framework, policies, and initiatives in alignment with our long-term strategy; monitoring compliance with applicable ESG laws and regulations and updating policies as required; identifying, assessing, and managing material ESG risks and opportunities and implementing mitigation measures; engaging external ESG experts where necessary; reviewing stakeholder engagement and communication channels and incorporating feedback to refine our ESG approach; arranging ongoing ESG training for directors and senior management; preparing the annual ESG report and related risk and opportunity assessment for Board approval; and monitoring progress against ESG targets and regularly reporting performance to the Board.

Environmental Protection

Our foundational commitment lies in providing practicable solutions that drive the sustainable development of society as a whole. With this in mind, we prioritize eco-conscious practices and integrate sustainability into every aspect of our business operations. To achieve this, we take proactive and effective measures to control and reduce pollutant emissions and energy consumption, seeking to make a positive impact on both the environment and the communities that we serve.

GHG Emissions and Energy Consumption Management

The major sources of our Scope 1 and Scope 2 greenhouse gas ("**GHG**") emissions and energy consumption from our day-to-day operations primarily include electricity consumption. To manage our energy consumption and reduce GHG emissions, we have implemented relevant policies and conducted a series of campaigns, including optimizing and monitoring the use of clean and renewable energy, and implementing centralized administrative operations and temperature control in office areas. We will also consider adopting energy-efficient lighting systems and engaging employees through sustainability training and awareness programs to foster a culture of environmental responsibility. The following table sets out the breakdown of Scope 1 and Scope 2 GHG emissions and our electricity consumption for the years/period indicated.

	For the year ended December 31,			For the nine months ended September 30,
	2022	2023(1)	2024(1)	2025
GHG Emissions(2)				
Total (Scope 1, 2) GHG emissions (t-CO2e)	101.80	263.11	328.77	182.61
Total (Scope 1, 2) GHG emissions intensity (t-CO2e/RMB' million in revenue)	0.15	0.48	0.46	0.33
Scope 1 GHG emissions (t-CO2e)	88.02	227.55	280.50	155.80
Scope 2 GHG emissions (t-CO2e)	13.78	35.56	48.27	26.81
Energy Consumption				
Electricity consumption (MWh)	17.86	46.16	62.67	34.81
Electricity consumption intensity (MWh/RMB' million in revenue)	0.03	0.08	0.09	0.06
Comprehensive energy consumption equivalent value (tce)(3)	50.72	131.09	177.98	98.86

Notes:

(1) The increases in GHG emissions and electricity consumption in 2023 and 2024 were primarily due to the relocation of our headquarter to our self-owned properties since 2023, which largely expands our production and working areas.

(2) Scope 1 covers GHG emissions directly produced by business owned or controlled by us, while Scope 2 covers GHG emissions of indirect energy resulted from purchased electricity consumed by our operations. We intend to initiate the assessment of the Scope 3 GHG emissions after the Listing. We plan to progressively engage in data collection and collaborate with our suppliers and business partners for Scope 3 GHG emissions management and reduction. We are committed to improving our understanding of Scope 3 GHG emissions and are actively working towards aligning the data collection efforts with industry practices and emerging reporting standards.

(3) Represents the total energy consumption by converting it into an equivalent amount of energy from coal using standardized conversion factors.

In response to global climate change and China's dual carbon goals, we have launched a structured carbon reduction roadmap, targeting a 10% reduction in total GHG emissions intensity by 2027 compared to 2022, peak carbon emissions by 2035 and carbon neutrality in our operations by 2055. To achieve these goals, we will upgrade our production lines with intelligent, modular designs to improve energy efficiency and reduce consumption. We will also enhance the energy-saving capabilities of our ventilation systems to minimize waste. In terms of energy transition, we will expand renewable energy use by installing rooftop solar panels at select properties and securing green electricity procurement agreements, aiming to increase our green energy share. Additionally, we will phase out fuel-powered equipment in favor of electric alternatives. In our supply chain, we will prioritize suppliers with strong environmental practices, encourage them to provide carbon footprint reports, and conduct regular carbon emission assessments every three years. We will also optimize our logistics by promoting low-carbon transportation options such as rail and water, with a goal of reducing road freight dependence.

Water Consumption Management

We closely monitor water consumption levels at our production facilities and offices and have implemented various policies and measures to conserve water resources. These include timely repairing any dripping faucets to minimize water wastage and posting reminder stickers in restrooms to raise employees' awareness on water conservation. Through these efforts, we target to further promote water-saving practices and reduce overall water usage. The following table sets out our water consumption for the years/period indicated.

	For the year ended December 31,			For the nine months ended September 30,
	2022	2023[1]	2024[1]	2025
Water Consumption				
Water consumption (t)	2,821.87	11,650.00	11,455.00	10,115.00
Water consumption intensity (t/RMB' million in revenue)	4.30	21.15	15.88	18.34

Note:

(1) The increase in water consumption in 2023 and 2024 was primarily due to the relocation of our headquarter to our self-owned properties since 2023, which largely expands our production and working areas.

We have also set targets for improving water consumption efficiency, aiming for a 20% increase by 2033 and a 35% increase by 2040 compared to 2022. To meet these targets, we will upgrade water-use equipment in our production processes and adopt water-saving technologies and practices. We will also establish water recycling systems to treat and reuse wastewater for purposes such as landscaping and facility cleaning, with the goal of achieving a reuse rate of over 50% by 2027. In addition, we will install water meters across different departments and processes to monitor consumption and promote water conservation.

Waste Management

We are fully committed to sustainable waste management practices, ensuring that all waste is handled with the utmost care and efficiency. We do not produce hazardous waste, and the general waste we generate primarily includes packaging and domestic garbage, all of which is carefully collected and stored in designated areas for regular disposal by licensed third parties. For obsolete components such as screws, we evaluate their reuse potential, with non-reusable items properly scrapped.

To further promote sustainability, we actively encourage recycling and waste sorting within our operations. By regularly monitoring waste generation and waste recycling rates, we strive to minimize environmental impact and enhance sustainability efforts throughout our operations. Looking ahead, we aim to increase the recycling rate of packaging waste from assembly operations to 85% by 2027 and achieve zero waste to landfill across all assembly properties by 2033. To support these goals, we will promote packaging optimization by working with selected suppliers to introduce standardized, reusable packaging — such as returnable boxes and pallets — to replace single-use materials. We plan to complete the transition of the packaging for key components by 2026. Additionally, we will establish basic waste sorting stations to improve the separation and recycling of materials like metal scraps and plastic waste. Partnerships with qualified recycling companies will ensure all waste is processed in a compliant and resource-efficient manner. We will also continue to raise environmental awareness among employees through training and engagement activities on waste classification and reduction.

Green Innovation

We place a strong emphasis on green innovation, integrating advanced technologies and sustainable solutions to enhance environmental sustainability while delivering notable value to our customers. One key area of our green innovation lies in optimizing storage space for our customers. By leveraging advanced technologies, we have significantly improved warehouse space utilization of our customers, resulting in enhanced operational performance and a reduced environmental impact from fewer resource consumption and land use. Through these technological advancements, we enable our customers to achieve greater operational efficiency while minimizing their environmental footprint, reinforcing our ongoing commitment to driving sustainability through green innovation.

Social Responsibility

Employment and Labor Practice

We deeply value our people and respect the dignity, character, privacy and personal interest of our employees. We foster inclusion and equality among employees from all backgrounds, regardless of religion, age, gender, sexual orientation, and disability, among others. In particular, we are dedicated to empowering women at every stage of employment, from recruitment and training to promotion, employee well-being, and workplace environment. As of the Latest Practicable Date, over 20% of our employees are female, and we continue to actively pursue initiatives to further enhance gender equality within our workforce. In terms of age diversity, our workforce is well-balanced across different age groups, with approximately 42% of our employees aged 31-40, 16% aged 41-50, and 5% aged 50 or above. We believe that such age diversity brings tremendous value to our organization by combining a wide range of experiences and perspectives. By embracing this diversity, we create an inclusive environment where employees of all ages can thrive, contribute, and grow professionally.

Moreover, we encourage everyone within our organization to pursue professional development by offering both internal and external training programs designed to enhance their knowledge, skills, and competencies. These policies and investments have contributed to a consistently high employee retention rate of over 85% and high employee satisfaction score of over 80 during the Track Record Period, which reflect the strong alignment of employees with our culture and development, as well as their high satisfaction with the working environment. As of the Latest Practicable Date, we have not engaged in any illegal activities in employment such as hiring child labor or forced labor, and other than certain employees for whom contributions were made through third-party agents or at a lower base, we have timely paid social insurance contributions for our full-time employees.

Occupational Health and Safety

We are subject to various health, work safety and environmental laws and regulations and our operations are regularly inspected by local government authorities. We strive to provide employees with a safe and healthy work environment. To mitigate risks and safeguard the well-being of our employees, we have implemented comprehensive internal policies and measures, such as arranging health examinations for all employees and regularly inspecting and maintaining workplace equipment and facilities. We also establish emergency response plans and provide relevant safety training for our employees to promote a culture of safety. During the Track Record Period and up to the Latest Practicable Date, we had complied with health, work safety and environmental laws and regulations applicable to our operations in all material respects, and we did not encounter any environmental or occupational health related incidents or complaints that would materially and adversely affect our business, financial condition or results of operations during the same period.

Supply Chain Management

Environmental considerations have been integrated into our procurement and supplier selection processes to realize a responsible and sustainable supply chain. Our supply chain management practices emphasize the importance of minimizing environmental impact at all stages, from procurement to delivery. We have established clear environmental requirements for our suppliers, including mandatory compliance with environmental protection standards, efficient resource utilization and waste reduction initiatives. We also actively encourage suppliers to adopt green manufacturing processes and prioritize the use of environmentally friendly materials, with a focus on products that have lower carbon footprints and higher energy efficiency.

In the event of an ESG crisis, an emergency response team is swiftly mobilized to assess the situation and minimize any impact on our operations. After the incident is resolved, we review and update our supplier selection criteria to mitigate any future risks. Through these efforts, we strive to reduce the ecological footprint of our supply chain while aligning our operations with best practices in sustainability.

In our supplier selection process, we not only ensure compliance with environmental regulations, but also assess their absence of past environmental violations, as well as verify proper social security contributions and workplace safety standards. Suppliers are required to sign integrity agreements and adhere to anti-bribery and anti-corruption policies. To manage ESG risks, we identify critical industry-specific risks and continuously monitor external factors, such as policy changes or relevant industry incidents. We also conduct regular ESG audits to assess our suppliers' ESG practices. Suppliers with significant ESG issues are categorized by severity, and appropriate corrective actions are taken, including the potential termination of our partnership.

Product Responsibility

We are committed to delivering products that meet high standards of quality, safety and reliability across all our operations through comprehensive quality control systems that span the entire product lifecycle, from design and development to procurement, production, packaging, delivery, and after-sales service. We ensure strict adherence to international standards, such as ISO

9001, and conduct thorough inspections at each stage, including cross-functional reviews, raw material checks, as well as functional and performance testing. Any products that fail to meet our rigorous standards are either reworked, repaired, or scrapped. See "— Production — Quality Control" for more details.

To drive continuous improvement, we actively gather customer feedback and implement root cause analysis on any identified issues, enabling us to stay responsive to evolving industry demands and customer needs. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material customer complaints regarding product quality. Additionally, we have established sound policies to protect customer privacy and safeguard transaction data relating to our business and transactions with our customers, including stringent user access restrictions to customer information.

PROPERTIES

Our headquarter is located in Jiaxing, China. As of the Last Practicable Date, in China, we owned the land use rights of two parcels of land in Jiaxing and Wuhu with a total area of approximately 46,630.9 square meters, and we operated our business operations through four owned properties on these parcels of land with an aggregate GFA of approximately 13,110 square meters, which are primarily used for production, R&D, warehouse and office purposes. We have obtained certificates to all our owned land use rights and properties. As of the Latest Practicable Date, our land use rights in Jiaxing and Anhui were mortgaged for interest-bearing bank borrowings.

As of the Latest Practicable Date, in China, we had 14 leased properties with an aggregate GFA of approximately over 12,400 square meters, which are primarily used for production, R&D, warehouse and office purposes. As of the same date, outside of China, we also had one leased property with an aggregate GFA of over 40 square meters, which is primarily used for office purpose. Our leased properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are principally used for production, R&D, warehouse and office purposes. We believe that there is sufficient supply of properties in China, and thus we do not rely on any single existing lease for our business operations.

As of the Latest Practicable Date, lessors of four of our leased properties in China have not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us, primarily because such properties were built on rural collective land, and are not eligible for obtaining property ownership certificates. Consequently, if any of these leases is terminated as a result of challenges by third parties, we may not be able to continue to use such properties. As advised by our Legal Advisor, under relevant PRC laws and regulations, the aforementioned defects do not constitute a substantive legal impediment to the issuance and listing. Our Directors are of the view that such title defects would not materially and adversely affect our business operations, primarily because if we have to relocate from such leased properties with title defects, we expect to be able to identify alternative places for relocation in a timely manner without incurring material related loss, as the properties are primarily used as office spaces and there is sufficient supply of comparable properties.

In addition, pursuant to the applicable PRC laws and regulations, property lease agreements are required to be registered with the relevant local land and real estate administration bureau. As of the Latest Practicable Date, thirteen of our leased properties in China had not been registered with the relevant PRC government authorities, primarily due to the lack of cooperation from the lessors. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of such leases or impede our use of the relevant properties but could result in the imposition of fines up to RMB10,000 for each leased property that is unregistered if we fail to rectify the non-compliance within the time frame prescribed by the relevant authorities. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any notice or allegation of penalty from PRC government authorities for our failure on the registration of lease agreements.

Furthermore, the actual use of four leased properties does not fit into the prescribed scope of use shown on the relevant title certificates, due to the lessors' failure to strictly adhere to the designated use during leasing. As advised by our PRC Legal Adviser, administrative penalties may be imposed on the owners if the properties are leased for the usage incompatible with the prescribed scope, and our usage of these leased properties may be interrupted. The above non-compliances will not have a material adverse effect on our business, financial condition, or operations.

To prevent any recurrence of similar incidents in the future, we have established and implemented targeted internal control measures to ensure our compliance with relevant regulations in respect of our use of leased properties, as set out below:

- We plan to provide regular training on regulatory requirements relating to leased properties to our senior management and relevant operational teams. Such training will cover key compliance areas including lease agreement registration, verification of lessors' title certificates and compliance with the approved usage of leased properties. We will also maintain close communication with our external legal counsel to proactively track updates to laws and regulations governing leased property management and obtain timely professional advice on relevant compliance matters;

- we have incorporated a pre-lease verification process into our lease approval workflow. Prior to entering into any new lease, our legal department will review the property, covering verification of the lessor's valid title certificates, alignment of the property's approved usage with our intended use, and whether the lease requires registration with local authorities;

- prior to the commencement of the operation of a new production site, a designated person shall ensure all requisite approvals and permits have been obtained.

As of September 30, 2025, we had no single property with a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our Group's interests in land or buildings.

LICENSES, PERMITS AND APPROVALS

Our PRC Legal Advisors have advised that, during the Track Record Period and up to the Latest Practicable Date, we had obtained all licenses, permits and approvals necessary to conduct our operations in all material respects from the relevant government authorities in China.

For our overseas operations, based on (i) our review of our existing product certifications and project records for our overseas operations; (ii) our review of the applicable laws and regulations in each relevant overseas jurisdiction prior to commencing operations therein, following which we did not identify any permits, licences or approvals that are required for our current overseas operations but have not been obtained; (iii) our maintenance of an in-house legal department responsible for the ongoing monitoring and oversight of compliance requirements in connection with our overseas business; and (iv) during the Track Record Period and up to the Latest Practicable Date, we had not received any notice from any relevant authority requiring us to rectify any non-compliance or to obtain any missing licenses, permits, or approvals in connection with our overseas business operations, our Directors confirm that we have complied in all material respects with the relevant laws and regulations applicable to our overseas operations and have obtained the material licenses, permits, and approvals required for our overseas business. We are required to renew such licenses, permits, approvals and certificates from time to time. We do not expect any material legal obstacles in obtaining such renewals as long as the relevant documents are submitted as required by the relevant government authorities.

AWARDS AND RECOGNITION

We have garnered various industry accolades and achieved substantial market recognition. The following table sets forth some recent significant awards and recognition we have received.

Award/Recognition	Award Year	Awarding Institution/Authority
2025 ESG Exemplary Enterprise Award — The 4th International Green Zero-Carbon Festival & ESG Leadership Summit (2025 ESG典範企業獎—第四屆國際綠色零碳節暨ESG領袖峰會)	2025	The Organizing Committee of the 2025 International Green Zero-Carbon Festival (2025國際綠色零碳節組委會)
2024 Jiaxing City Green Factory (2024年度嘉興市綠色工廠)	2025	Jiaxing City Bureau of Economy and Information Technology (嘉興市經濟和信息化局)
2024 Zhejiang Enterprise Technology Center (2024年浙江省企業技術中心)	2024	Economy and Information Technology Department of Zhejiang (浙江省經濟和信息化廳)
2024 Zhejiang Enterprise Research Institute (2024年度浙江省企業研究院)	2024	Economy and Information Technology Department of Zhejiang (浙江省經濟和信息化廳)
First VFR-CC Series Narrow Aisle High-lift Intelligent Handling Robot in Zhejiang Province and China (浙江省首臺(套)裝備及國內首臺(套)VFR-CC系列窄巷道高舉升智能搬運機器人)	2024	Economy and Information Technology Department of Zhejiang (浙江省經濟和信息化廳), Zhejiang Provincial Department of Finance (浙江省財政廳)
Outstanding Case Award for Manufacturing Supply Chain Logistics (製造業供應鏈物流優秀案例獎)	2024	MSCLT (製造業供應鏈與物流技術大會組委會)
2023 Zhejiang Premium Manufacturing Product — Multi-robot Collaborative Intelligent Handling Robot and System (2023年度浙江製造精品–多機協同智能搬運機器人及其系統)	2024	Economy and Information Technology Department of Zhejiang (浙江省經濟和信息化廳)
National "Specialized, Refined, Distinctive, and Innovative Little Giant" Enterprise (國家"專精特新小巨人"企業)	2023	Ministry of Industry and Information Technology (國家工業和信息化部)

LEGAL PROCEEDING AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. We are currently not a party to any material legal or administrative proceedings and we were not involved in any legal proceedings and litigations that would have a material adverse effect on our business operations during the Track Record Period and up to the Latest Practicable Date.

Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention. For potential impact of legal or administrative proceedings on us, see "Risk Factors — Risks Relating to Our Business and Industry — We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business."

Compliance Matters

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have 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 and results of operations. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we have complied with the relevant laws and regulations in all material respects. For our overseas operations, based on (i) our review of our existing product certifications and project records for our overseas operations; (ii) our review of the applicable laws and regulations in each relevant overseas jurisdiction prior to commencing operations therein, following which we did not identify any permits, licences or approvals that are required for our current overseas operations but have not been obtained; (iii) our maintenance of an in-house legal department responsible for the ongoing monitoring and oversight of compliance requirements in connection with our overseas business; and (iv) during the Track Record Period and up to the Latest Practicable Date, we had not received any notice from any relevant authority requiring us to rectify any non-compliance or to obtain any missing licenses, permits, or approvals in connection with our overseas business operations, our Directors confirm that we have complied in all material respects with the relevant laws and regulations applicable to our overseas operations.

Social Insurance and Housing Provident Fund

During the Track Record Period, we did not pay social insurance and housing provident fund in full for certain of our employees as required under applicable PRC law. We were unable to make full contributions to social insurance and housing provident fund primarily due to varying individual preferences regarding participation levels in social benefit programs. In addition, during the Track Record Period we engaged third-party service providers to pay social insurance and housing provident fund for some of our employees primarily because we accommodated their preferences for participating in social insurance and housing provident fund schemes in their respective place of residency. As rectification of this arrangement requires mutual agreement with the affected employees, we have not yet fully completed the rectification. We are currently in communication with the relevant employees regarding the adjustment of this third-party payment arrangement, with the rectification planned to be completed by the end of April 2026. During the Track Record Period, the total estimated amount of social insurance and housing provident fund contributions, and any applicable late fees resulting from our third-party payment arrangement for the aforementioned employees amounted to approximately RMB167.2 thousand. Should the competent government authorities in the future require us to register and directly pay social insurance and housing provident fund contributions for these employees, we will comply with such requirements and make the corresponding payments in a timely manner.

As advised by our PRC Legal Advisor, an employer that has not made social insurance contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of up to 0.05% of the outstanding amount for each day of delay. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. Pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of the housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. The total potential financial exposure, including contributions for housing provident fund, social insurance, and any applicable late fees, resulting from our shortfall in payment during the Track Record Period is estimated to be approximately RMB25.5 million.

On September 21, 2018, the Ministry of Human Resources and Social Security of the PRC issued the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Enforcement 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》), which prohibits local authorities from organizing and conducting centralized collection of enterprises' historical shortfall of social insurance contributions.

Pursuant to Article 19(1) of the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**New Judicial Interpretation**"), promulgated on July 31, 2025, and effective as of September 1, 2025, if an employer and an employee agree or the employee commits that social insurance contributions are not required to be paid, the People's Court shall deem such agreement or commitment invalid, and where an employer fails to pay social insurance contributions, and the employee requests to terminate the labor contract and claims economic compensation from the employer in accordance with the PRC Labor Contract Law, the People's Court shall support such claim. In light of (i) the absence of major outstanding complaints, reports, or labor disputes related to social insurance against our Group up to the Latest Practicable Date; and (ii) our PRC Legal Advisor opinion that the new Judicial Interpretation does not expand our Company's penalty exposure or repeal the social insurance laws and regulations currently in force of the PRC, we believe the new Judicial Interpretation would not have a material adverse effect on our business or financial results.

Our PRC Legal Advisor has conducted consultation with the relevant local authorities in relation to the matters mentioned above, and is of the opinion that the likelihood that we will be required to pay the historical shortfall of social insurance and housing provident fund contributions, or be subject to material administrative fines or penalties by relevant government authorities for the above-described issues relating to social insurance and housing provident fund contributions during the Track Record Period, is remote, and the above non-compliances will not have a material adverse effect on our business, financial condition, or operations, on the basis that: (i) our PRC Legal Advisor has conducted interviews and telephone consultations with the relevant local authorities having regulatory oversight of such social insurance and housing provident fund matters, substantially all of whom confirmed that the competent authorities typically will not proactively require companies to make up for historical shortfall of social insurance and housing provident fund contributions; (ii) our PRC Legal Advisor has obtained written confirmations from certain relevant local authorities, and our PRC Legal Advisor also confirmed that, during the Track Record Period and up to the Latest Practicable Date, we have not received any fines or penalties from competent authorities as a result of our inadequate contributions to our employees' social insurance plan and housing provident fund; and (iii) during the Track Record Period and as of the Latest Practicable Date, we have not received (a) any order of correction from competent authorities that require us to make up for historical shortfall of contributions within a specified time, nor (b) any employee reports or complaints alleging inadequate contributions remain outstanding as of the Latest Practicable Date. Accordingly, no provision has been made during the Track Record Period and up to the Latest Practicable Date.

To prevent any recurrence of similar incidents in future, We have reviewed our practice and adopted or plan to adopt internal control measures to rectify such incidents, including:

- We have set up a dedicated internal control team to supervise our continuous compliance with the regulations governing social insurance and housing provident fund contributions, and to oversee the rollout of any required corrective or preventive measures in this regard;

- we are currently in the course of communicating with our employees, with a view to seeking their understanding and cooperation in adhering to the applicable contribution base, which is a process that entails additional contributions from the employees themselves;

- we will conduct ongoing review and monitoring of the reporting procedures and contribution payments in respect of social insurance and housing provident funds. We will also engage our PRC legal advisers to seek advice on relevant PRC laws and regulations, so as to ensure we remain updated on the latest regulatory developments. We undertake to maintain regular and close communication with relevant authorities, to gain an understanding of their specific requirements and the official interpretation of relevant rules, and to make social insurance and housing provident fund contributions in a timely manner in accordance with their guidance.

Going forward, we will continue to implement the above measures and undertake to make timely payments for the deficient amount and overdue charges under our own accounts as soon as requested by relevant authorities so that we will not be subject to any administrative penalties from the relevant government authorities due to our failure to make the full contributions in time.

Sanctions Risks, Trade Restrictions, Tariff Policies

Our business operations may be subject to sanctions risks, trade restrictions and tariff policies imposed by various jurisdictions from time to time. Changes to the applicable trade-related policies and regulations could impact our business operations, market access and may introduce additional compliance requirements. See "Risk Factors — Risks Relating to Our Business and Industry — Changes in international trade policies and regulations, including imposition of trade restrictions and sanctions, and shifts in geopolitical dynamics could materially and adversely affect our business, financial condition and results of operations."

International Sanctions Risks

We serve customers across 19 countries and regions. During the Track Record Period, we had operations in Russia, a country that has been subject to expanding sanctions since February 2022. Our Russia-related revenue include (i) revenue generated by our Russian subsidiary and (ii) revenue generated from customers located in Russia. During 2022, 2023, 2024 and the nine months ended September 30, 2025, our Russia-related revenue represented approximately 0.7%, 0.2%, 1.9% and 0.1%, respectively, of our total revenue for each relevant year/period. Given the immaterial amounts and on the basis that the the Russian subsidiary does not hold any material assets, we believe our Russian subsidiary was not material to our business operations during the Track Record Period. We have ceased all business transactions with customers in Russia since October 2025. We are in the final stages of negotiations with potential purchasers for the disposal of our Russian subsidiary, and expect to complete such disposal by the first quarter of 2026.

As advised by our International Sanctions Legal Advisors, based on the information provided by the Company, our Directors are of the view that we did not engage in any Primary Sanctioned Activity as we did not have any business activities in a Sanctioned Country, or with or directly or indirectly benefiting or involving the property or interests in the property of a Sanctioned Target; in particular, neither our Russia subsidiary nor our customers in Russia during the Track Record Period is a Sanctioned Target, and we do not have any business activities in the Crimea Region of Russia/Ukraine, the self-proclaimed Luhansk People's Republic (LPR) and Donetsk People's Republic (DPR) regions, or and Zaporizhzhia and Kherson regions. For the purposes of this section, "Sanctioned Country" means any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction (currently Cuba, Iran, North Korea, Syria, the Crimea Region of Russia/Ukraine, the self-proclaimed Luhansk People's Republic (LPR) and Donetsk People's Republic (DPR) regions and Zaporizhzhia and Kherson regions), and "Sanctioned Target" means any person or entity (i) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Comprehensively Sanctioned Countries; or (iii) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii). As advised by our International Sanctions Legal Advisors, who have performed the procedures they consider necessary based on the information provided by the Company, none of our customers were identified as Sanctioned Targets. Therefore, our activities did not represent a violation of the applicable primary sanctions laws.

Based on our International Sanctions Legal Advisors' advice, and taking into account the nature of our business activities that our products sold, i.e. box shuttle system for warehouse use are not listed on the Russia Critical Items Determination issued pursuant to subsection 11(a)(ii) of EO 14024 nor the Common High Priority List issued by the BIS on February 23, 2024, and the immaterial revenue contribution by our sales and operations in Russia during the Track Record Period, which accounted for approximately 3% or less of our total revenue for each year / period of the Track Record Period, our Directors are of the view that the risk that our activities during the Track Record Period will cause us to be designated under secondary laws is low, primarily because our activities in Russia are unlikely to be viewed as any of the activities listed in the definition of Russian manufacturing, technology or electronics sectors which are currently subject to sectoral sanctions, as our business activities in Russia were limited to the sale of MSRs, lifts, CSRs for warehousing and logistics purposes and accounted for an insignificant portion of our overall revenues.

To manage potential exposure to sanctions and trade compliance risks, we have implemented internal control measures, including customer screening and transaction monitoring against applicable sanctions lists, enhanced due diligence for business activities in higher-risk jurisdictions, and senior management approval for all transactions or relationships involving sensitive jurisdictions. These measures are reviewed and updated periodically to maintain compliance with relevant regulatory requirements. Based on the foregoing, our Directors are of the view that our internal control measures are adequate and effective in managing sanctions risks, and that our exposure to sanctions risks would not materially affect our business operations and financial performance. Based on the due diligence conducted (including reviewing the internal control measures, reviewing the sanctions memorandum, conducting interview with our internal control consultant to understand the result of their internal control review and considering the view of the International Sanctions Legal Advisors as mentioned above as to the sanctions risk) nothing has come to the attention of the Joint Sponsors that would cause them to disagree with the Directors' view.

U.S. Tariff Policies

In 2022, 2023, 2024 and the nine months ended September 30, 2025, our revenue generated from sales to the U.S. was immaterial, amounting to less than RMB0.5 million in each period (including both direct and indirect sales) and accounting for less than 0.1% of our total revenue during the Track Record Period. Given the insignificant scale of our U.S. sales and the fact that we currently have no plans to increase sales in the U.S. market, our Directors are of the view that existing tariff rates and any recent or potential increases in such tariff rates are not likely to have a material adverse impact on our business, financial condition or results of operations. In addition, our Directors are of the view, and the Joint Sponsors concur that, our sales to the U.S. are not expected to expose us to material U.S. import tariff risks because our revenue from the United States during the Track Record Period was generated from sales to integrators in respect of U.S.-based projects in which (i) the related products were delivered to our integrator customers at their designated delivery locations in China, and subsequently exported by the integrators to their customers in the United States; and (ii) we dispatched personnel to the United States to provide on-site installation and maintenance services, which constituted purely the provision of services without any cross-border transfer of tangible goods into the United States. As we were not involved in any merchandise importation into the United States and only engaged in service provision within the United States, our activities fell outside the scope of the Harmonized Tariff Schedule of the United States, which applies only to merchandise imported into the United States. To the best of our knowledge, our integrators did not have any clients that were incorporated in the United States, and during the Track Record Period, we participated in only two transactions with integrators where their customers were located in the United States, in which we provided services which were not subject to U.S. import tariffs. Accordingly, any tariffs applicable to the integrators or their customers have not had, and are not expected to have, any material impact on our business or operations. The cancellation of the *de minimis* tariff exemption effective on May 2, 2025 has not had, and is not expected to have, any material impact on our financial or operational performance.

Export Control Risks

While most of our suppliers were PRC-based, we engaged three overseas suppliers based in Germany, Malaysia and Switzerland during the Track Record Period, with their aggregate purchases representing less than 10% of our total purchases during the period. As advised by our International Sanctions Legal Advisors, our business activities did not represent a violation of the U.S. export controls and we were not subject to U.S. export licensing requirements in respect of its products and activities during the Track Record Period, primarily because during the Track Record Period, (i) we did not purchase any U.S.-origin products, components, software, or technologies; (ii) the foreign produced items (non-U.S. produced products) subject to EAR we procured are classified either under the U.S. Export Control Classification Numbers of 3A991.J (only subject to anti-terrorism restrictions, which we are not subject to) or EAR99 (not subject to export licensing restrictions in most cases); and (iii) our customers were not Sanctioned Targets. As such, we do not consider the potential impact of international tariffs and export control restrictions to be material to our operations.

As advised by our International Sanctions Legal Advisors, based on the information provided by us, with the exception of a certain PRC-based supplier which was designated by the Bureau of Industry and Security ("BIS") on the Entity List (the "Relevant Entity"), none of our suppliers were subject to export control restrictions. In relation to the Group's transactions with the Relevant Entity, as advised by our International Sanctions Legal Advisors, given that the Group was not engaged in any exports or transactions of any items subject to the Export Administration Regulations to the Relevant Entity, the applicable export restrictions maintained by the BIS were not implicated. Our total procurement from the Relevant Entity during the Track Record Period was insignificant, amounting to only less than RMB20,000.

Since our suppliers base remains predominantly PRC-based, as advised by our PRC legal counsel, those engaged in foreign trade or technology import and export activities are required to comply with several PRC laws and regulations, including the Foreign Trade Law of the PRC (中華人民共和國對外貿易法) and Regulations of the PRC on the Administration of Import and Export of Technologies (中華人民共和國技術進出口管理條例). For our limited overseas purchases, we have implemented appropriate measures to ensure compliance with applicable PRC import requirements, and while export control regulations globally continue to evolve, particularly regarding technology components, our current supplier arrangements and predominantly domestic supply chain help minimize potential exposure to international export control restrictions. We maintain regular communications with our suppliers regarding any changes in their regulatory environment. During the Track Record Period and up to the Latest Practicable Date, none of our suppliers have notified us of any material tariff or export control issues that would impact their ability to maintain stable supply to us.

U.S. Outbound Investment Rule

On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment (the "**Final Rule**"), to implement the executive order of August 9, 2023, which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons (as defined in the Final Rule) 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) AI systems. After consulting with our Outbound Investment Rule ("OIR") Legal Adviser, our Directors are of the view that we are not a Covered Foreign Person under the Final Rule because we do not engage in any "covered activities" which would fall within the scope of the definition of "prohibited" or "notifiable" transactions under the Final Rule. Specifically with respect to the AI sector, while we have developed certain AI technologies such as the digital twin platform and the large model knowledge base, as advised by our OIR Legal Adviser, such technologies would not satisfy the definition of "AI system" under the Final Rule. This is because the AI technologies are not capable of performing all three actions required of an “AI system” under the OIR: (1) using data inputs to perceive real and virtual environments; (2) abstracting such perceptions into models through automated or algorithmic statistical analysis; and (3) using model inference to make a classification, prediction, recommendation or decision. We do not otherwise engage in any “covered activities” involving the semiconductors and microelectronic sector or the quantum information technologies sector. The OIR rules applicable to these sectors restrict the development or production of certain electronic design automation software, the development or production of certain semiconductor fabrication equipment, the design or fabrication of certain integrated circuits and the development of quantum computers and related platform and systems, which are entirely unrelated to the Group’s business. Even if investments in the Company were deemed notifiable, as advised by our OIR Legal Adviser, U.S. investors who acquire publicly traded shares in the Company through the Stock Exchange are currently excepted from the OIR notification requirements so long as the acquired shares do not afford such U.S. investors rights beyond certain standard minority shareholder rights.

RISK MANAGEMENT AND INTERNAL CONTROL

Effective risk management is crucial to our business operations. Key operational risks we face include, among others, fluctuations in the general market conditions, shifts in the global intralogistics markets, our ability to develop, manufacture and commercialize our intelligent intralogistics robots and systems as well as our ability to compete with other logistics robots and intelligent logistics equipment providers. In response to these challenges, we have implemented a comprehensive set of risk management policies which establish a framework to identify, assess, evaluate, and continuously monitor the key risks associated with our strategic objectives. Our Board is responsible for overall risk management and internal control and has authorized our audit committee to review and supervise the financial reporting procedures, risk management system and internal control system of our Group. The typical risk management procedures include: (i) gather information on operational risks; (ii) conduct risk assessments to identify, prioritize, measure and categorize all key risks that could potentially affect their objectives; (iii) monitor key risks; (iv) implement appropriate risk responses where needed; and (v) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework. Our audit committee will coordinate and supervise other departments and business units in their risk management efforts.

OVERVIEW

As of the Latest Practicable Date, pursuant to a series of Concert Party Agreements, the parties acting in concert with Dr. GU included Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming, Jiaxing Gaile, Jointown Pharmaceutical Group Co., Ltd. (九州通醫藥集團股份有限公司) ("**Jointown Pharmaceutical**") and China Merchants Advanced Technology Development (Shenzhen) Co., Ltd. (招商局先進技術開發(深圳)有限公司)) ("**China Merchants Advanced Technology**") (the "**Pre-Listing Concert Parties**"). As of the Latest Practicable Date, Dr. GU, together with the Pre-Listing Concert Parties, are able to exercise approximately 40.30% of the voting rights in the Company, and therefore constituted a group of controlling shareholders (as defined in the Listing Rules) of the Company. As the Concert Party Agreements entered into by Dr. GU and each of Jointown Pharmaceutical and China Merchants Advanced Technology will terminate upon the completion of the Listing, Dr. GU, together with his controlled entities (namely Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi) and the remaining concert parties, are expected to control approximately 27.26% of the voting rights in the Company, immediately following the Global Offering and completion of the Listing, assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes. Therefore, Dr. GU, Dr. YANG, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming, Jiaxing Gaile, Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi, will constitute the Single Largest Group of Shareholders upon Listing. For details, see "History, Development and Corporate Structure — Acting-in-Concert and Single Largest Group of Shareholders."

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently from our Single Largest Group of Shareholders and/or their close associates after the Listing.

Management Independence

Our business is managed and conducted by the Board and senior management. Our Board consists of four executive Directors, two non-executive Directors and three independent non-executive Directors. Save for Dr. GU, Dr. YANG, Mr. SHEN Lu and Ms. MA Lan, none of our Directors or members of senior management is a member of our Single Largest Group of Shareholders. For more information, see "Directors and Senior Management." Our Directors have relevant experience to ensure the proper functioning of the Board. We believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from our Single Largest Group of Shareholders and/or their close associates for the following reasons:

(i) our Directors are aware of their fiduciary duties as a director, which require, among other things, that they act for the benefits and in the interests of our Company and all our Shareholders as a whole and do not allow any conflict between their duties as a Director and their personal interests;

(ii) our Board acts collectively by majority vote in accordance with our Articles of Association and applicable laws and regulations, and no single Director is able to make any decisions unless authorized by the Board;

(iii) our Board has a balanced composition of executive, non-executive and independent non-executive Directors, which ensures the independence of the Board in making decisions affecting our Company. Our independent non-executive Directors account for one-third of the Board, and do not and will not take up any position with our Single Largest Group of Shareholders and/or their respective close associates. All of our three independent non-executive Directors are independent of our Single Largest Group of Shareholders and/or their respective close associates and have extensive experience in their respective areas of expertise. All independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules, and certain matters of our Company must always be referred to the independent non-executive Directors for review, ensuring the decisions of the Board are made only after the due consideration of independent and impartial opinions; and

(iv) in the event that there is a potential conflict of interests arising out of any transaction to be entered into between our Group and a Director or their respective close associate, the interested Director(s) is required to declare the nature of such interests before voting at the relevant Board meetings of our Company in respect of such transactions.

Operational Independence

We are in possession of all production and operating facilities and technology relating to our Group's business and have obtained relevant requisite qualifications and approvals for conducting all our business. We have independent access to customers and suppliers and, therefore, are not dependent on our Single Largest Group of Shareholders and/or their respective close associates for any significant amount of our revenue, research and development, staffing or marketing and sales activities, and we have sufficient capital, equipment and employees to operate our business independently from our Single Largest Group of Shareholders and/or their respective close associates. We have an established and complete organizational structure comprising various separate departments, each charged with specific responsibilities, such as staffing, administration, finance, internal audit, research and development, sales and marketing, or company secretarial functions.

Financial Independence

Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit and internal control functions independently from our Single Largest Group of Shareholders and their respective close associates, as well as a sound and independent financial system. Our Company maintains bank accounts independently and does not share any bank account with our Single Largest Group of Shareholders and their respective close associates. Our Company makes tax registration and pays tax independently with its own funds.

As of the Latest Practicable Date, there were no loans, advances and balances due to and from and guarantees provided by our Single Largest Group of Shareholders and/or their close associates. Further, there is no security over assets and guarantees provided by our Single Largest Group of Shareholders and/or their close associates in relation to loans made by our Group. We are capable of obtaining financing from third parties, if necessary, without reliance on our Single Largest Group of Shareholders and/or their close associates.

CORPORATE GOVERNANCE MEASURES

Upon Listing, save as disclosed in "Directors and Senior Management — Corporate Governance Code," we will comply with all other provisions of the Corporate Governance Code set forth in Appendix C1 to the Listing Rules, which sets out the principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in the 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 Group and Single Largest Group of Shareholders and/or their respective close associates:

(i) where a Board meeting is held for the matters in which any Directors has 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;

(ii) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with any member of our Single Largest Group of Shareholders or any of their close associates, our Company will comply with the relevant requirements of Chapter 14A of the Listing Rules;

(iii) where a Shareholders' meeting is to be held for considering proposed transactions in which any member of our Single Largest Group of Shareholders or any of their associates has a material interest, the relevant member in our Single Largest Group of Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(iv) our independent non-executive Directors will provide impartial and professional advice to protect the interests of our minority Shareholder;

(v) we have established our audit committee, remuneration committee and nomination committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code in Appendix C1 to the Listing Rules;

(vi) 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

(vii) we have appointed Guotai Junan Capital Limited as our Compliance Advisor, which will provide advice and guidance to us in respect of compliance with the Listing Rules and applicable laws, rules, codes and guidelines, including but not limited to various requirements relating to Directors' duties and internal controls.

Upon Listing, transactions between us and our connected persons will constitute our connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

The following persons, with whom we have entered into certain transactions in our ordinary course of business, will become our connected persons as defined under the Listing Rules upon Listing:

Name of our Connected Persons	Connected Relationship
S.F. Holding Co., Ltd. ("**S.F. Holding**") and its subsidiaries ("**S.F. Group**")	As of the Latest Practicable Date, S.F. Technology was wholly owned by Shenzhen SF Taisen Holdings (Group) Co., Ltd. (深圳順豐泰森控股(集團)有限公司) ("**S.F. Taisen**"), which is wholly owned by S.F. Holding, a company listed on the Stock Exchange (stock code: 06936) and the Shenzhen Stock Exchange (stock code: 002352). As of the Latest Practicable Date, Shenzhen Yuhui Management Consulting Co., Ltd. (深圳譽惠管理諮詢有限公司), the limited partner of Suzhou Huidao, was wholly owned by S.F. Taisen, and held approximately 99.01% partnership interest in Suzhou Huidao. S.F. Technology and Suzhou Huidao, collectively, will hold 12.89% upon Listing (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes) and constitute substantial shareholders of our Company. Therefore, S.F. Holding is an associate of our substantial shareholders and will become a connected person of our Group upon Listing.

FULLY-EXEMPTED CONTINUING CONNECTED TRANSACTIONS

Provision of After-sales Services to S.F. Group

We have entered into, and will continue to enter into post-Listing, certain agreements with S.F. Group for the provision of after-sales services for intelligent logistics robotics solutions previously sold to S.F. Group by our Group. Such after-sales services include maintenance, spare parts supply, repair services, and technical upgrades and modifications to the deployed systems. The service fees to be charged by our Group have been and will be determined on normal commercial terms and negotiated on arm's length basis.

As all of the applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules in respect of the aforesaid transactions, which are conducted on normal commercial terms or better, are expected to be less than 5% and the total consideration is expected to be less than HK$3.0 million, on an annual basis, they will fall within the de minimis threshold under Rule 14A.76(1) of the Listing Rules and will be exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

ONE-OFF CONNECTED TRANSACTIONS

Sale of Comprehensive Intelligent Logistics Robotics Solutions to S.F. Group

Historically, we have entered into certain agreements with S.F. Group for the provision of intelligent logistics robotics solutions. Such solutions primarily involve the design, delivery, and implementation of customized and scalable automation solutions tailored to S.F. Group's operational requirements. This encompasses system development, the provision of core automation hardware (such as multi-shuttle robots (MSRs), autonomous mobile robots (AMRs), and conveying and sorting robots (CSRs)), and on-site installation and integration. The fees charged for such solutions provided by our Group have been determined on normal commercial terms and negotiated on arm's length basis. The intelligent logistics robotics solutions provided to S.F. Group by our Company were customized and procured by S.F. Group on a project-needed basis. Thus, even though our Company will receive installment payments from the historical transactions after the Listing, the underlying transactions are deemed as one-off connected transactions rather than recurring and continuing connected transactions after the Listing.

BOARD OF DIRECTORS

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

Name	Age	Positions	Roles and responsibilities	Date of joining our Group	Date of appointment as a Director
Dr. GU Chunguang (谷春光)*	55	Chairperson of the Board, executive Director and chief executive officer	Responsible for leading the strategic planning, business direction, and overall management of our Group	June 23, 2014	October 24, 2016
Dr. YANG Yan (楊艷)*	54	Executive Director and vice president	Responsible for brand management and overseeing public relations, industrial development planning and external strategic cooperation matters	June 23, 2014	October 8, 2018**
Mr. SHEN Lu (沈鷺)	53	Executive Director and vice president	Responsible for business development and market expansion	August 13, 2014	October 24, 2016
Dr. BAI Hongxing (白紅星)	43	Executive Director and vice president	Responsible for leading the AI research institute of the Group and driving research, development, and application in the field of intelligent logistics	October 1, 2018	June 4, 2025
Mr. SHEN Qi (沈奇)	43	Non-executive Director	Responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of our Group	June 4, 2025	June 4, 2025
Mr. LI Qiuyu (李秋雨)	37	Non-executive Director	Responsible for overseeing Board affairs and giving strategic advice and guidance on the business operations of our Group	June 3, 2019	June 3, 2019
Dr. HU Jianqiang (胡建強)	62	Independent non-executive Director	Responsible for providing independent advice and judgment to our Board	July 13, 2021	July 13, 2021
Mr. MO Rong (莫融)	59	Independent non-executive Director	Responsible for providing independent advice and judgment to our Board	July 13, 2021	July 13, 2021
Mr. LAU Hak Lap (劉克立)	57	Independent non-executive Director	Responsible for providing independent advice and judgment to our Board	June 4, 2025	June 4, 2025

* Dr. GU Chunguang and Dr. YANG Yan are spouses.

** Refers to the date when Dr. YANG Yan rejoined the Board.

Executive Directors

Dr. GU Chunguang (谷春光), our founder, was redesignated as an executive Director in June 2025. Dr. GU also holds directorships or supervisorships across all of five major subsidiaries namely Galaxis Wuxi, Hubei Galaxis Tongda Technology, Zhejiang Galaxis International Trade, Guangdong Galaxis Jiadi and Anhui Galaxis.

Dr. GU has over 25 years of experience in the fields of supply chain management, logistics systems, and advanced logistics equipment technology. Before founding our Group, Dr. GU started his career at i2 Technologies in the United States from August 1999. Dr. GU worked at McKinsey & Consulting Company Inc., Shanghai (麥肯錫(上海)諮詢有限公司) from March 2005 to June 2008, with his last position as engagement manager. From February 2008 to November 2017, he served as the chief technology officer at Jointown Pharmaceutical Group Co., Ltd. (九州通醫藥集團股份有限公司) ("**Jointown Pharmaceutical**"), a company listed on the Shanghai Stock Exchange (stock code: 600998).

Dr. GU obtained a bachelor's degree in engineering from Tsinghua University (清華大學) in the PRC in July 1993 and a Ph.D. in mechanical engineering from the Massachusetts Institute of Technology in the United States in February 2000. Besides, Dr. GU was qualified as a professor-level senior engineer by the Department of Human Resources and Social Security of Zhejiang Province (浙江省人力資源和社會保障廳) in June 2020. In recognition of his outstanding contributions to the logistics and modern service field, Dr. GU was honored as a National Model Worker in the logistics industry (全國物流行業勞動模範) by Ministry of Human Resources and Social Security and China Federation of Logistics & Purchasing (人力資源社會保障部、中國物流與採購聯合會), and one of China's Top Ten Contributors to the Logistics Industry (中國物流十大傑出貢獻人物) by China International Logistics Technology and Services Exhibition Committee (中國國際物流科技博覽會組委會) and Modern Logistics News (現代物流報).

Dr. YANG Yan (楊艷) was initially serving as a Director in October 2016, reappointed since October 2018 and redesignated as an executive Director in June 2025. Dr. YANG's retirement from the Board in 2016 was a planned adjustment to accommodate new investor representative Directors and maintain an odd-numbered Board for effective governance. Throughout 2016 to 2018, she continued to serve our Group as a deputy general manager, responsible for investment, financing and Board affairs. Following a subsequent adjustment to the Board's structure, she was reappointed as a Director in 2018, a move that maintained the Board to an odd number of members and retained her executive experience at the Board level.

Dr. YANG has extensive experience in electrical and electronic engineering, as well as in managing technology-driven entrepreneurial ventures. Dr. YANG was with Aware Inc. in the United States as a digital signal processing engineer from October 1999, before she joined Infineon Technologies (China) Co., Ltd (英飛凌科技(中國)有限公司) ("**Infineon China**") in May 2006. At Infineon China, she served as a senior staff engineer until January 2010. Dr. YANG worked at Lantiq (Shanghai) Communications Technology Co., Ltd (領特(上海)通信科技有限公司) from January 2010 to November 2012, a period during which she undertook as a principal engineer.

Dr. YANG obtained a bachelor's degree in electronic engineering from Tsinghua University (清華大學) in the PRC in July 1993, and a Ph.D. in electrical engineering from Cornell University in the United States in January 2000. Dr. YANG has published multiple technical papers in leading journals of the Institute of Electrical and Electronics Engineers (IEEE) and holds over 70 patents. The research, development and application of advanced logistics equipment and robotics under her leadership was selected as a Leading Talent Entrepreneurial Project (無錫市領軍人才創業項目) by the Administrative Committee of Wuxi National High-tech Industrial Development Zone (無錫國家高新技術產業開發區管理委員會). In recognition of her pioneering work in logistics and modern service field, Dr. YANG was recognized as a Leading Entrepreneurial Talent in emerging industry of Wuxi (無錫市新興產業創業領軍人才) by Wuxi Science and Technology Bureau (無錫市科學技術局), and honored with the Technology Innovation Award (科技創新獎) by the Jiaxing Women Entrepreneurs Association (嘉興市女企業家協會).

Mr. SHEN Lu (沈鷺) joined our Group as the vice president in August 2014, and then was appointed as a Director in October 2016 and redesignated as an executive Director in June 2025. Mr. SHEN also holds directorship in Galaxis Wuxi.

Mr. SHEN has extensive experience in product development and marketing management particularly in the logistics and automation industries. Before joining our Group, from August 1993 to December 1998, Mr. SHEN was with COSCO Container Lines Co., Ltd. (中遠集裝箱有限公司). He then served at ChinaStar International Economic and Technical Cooperation Co., Ltd. (中國四達國際經濟技術合作有限公司) from March 1999 to March 2000. From April 2000 to January 2005, he worked in Kesai Logistics System Equipment (Shanghai) Co., Ltd. (科賽物流系統設備(上海)有限公司). From November 2007 to June 2014, he was the general manager at Galaxy Automotion Management GmbH.

Mr. SHEN obtained a bachelor's degree in marine electrical management from Shanghai Maritime University (上海海事大學) in the PRC in July 1993.

Dr. BAI Hongxing (白紅星) joined our Group as a vice president in October 2018, and then was appointed as an executive Director in June 2025.

Dr. BAI has extensive experience in technology innovation, logistics intelligence, and corporate management. From 2008 to 2015, Dr. BAI was with Jointown Pharmaceutical and held several positions including (i) as a supervisor, (ii) as a deputy manager of logistic management department, and (iii) as the general manager at Jointown Chinese herbal medicine electronic commerce Co., Ltd. (九州通中藥材電子商務有限公司). Dr. BAI founded Wuhan Gooding Health Technology Co., Ltd. (武漢谷丁健康科技有限公司), where he served as an executive director and a manager from April 2015 to July 2024.

Dr. BAI obtained a bachelor's degree in automation and a Ph.D. in control science and engineering from Tsinghua University (清華大學) in the PRC in July 2003 and in July 2008, respectively. Dr. BAI has received multiple honors for his contributions to technology and logistics innovation. In 2012, he was selected for the "Hanyang Talent Plan" (漢陽英才計劃) by the CPC Hanyang District Committee (中共武漢市漢口區委). In 2013, he was honored as one of the "Top Ten Outstanding Innovative Individuals Influencing Suining" (影響遂寧 • 十大傑出創新人物) by the Suining Municipal Government (四川省遂寧市人民政府). In 2014, he received the "Science and Technology Progress Award (Innovative Individuals)" (科技進步獎 • 科技創新人物) from the China Federation of Logistics & Purchasing (中國物流與採購聯合會). In 2017, he was selected for the "Qiaokou Talent Plan" (礄口英才計劃) by the CPC Qiaokou District Committee (中共武漢市礄口區委).

Non-executive Directors

Mr. SHEN Qi (沈奇) has extensive experience in investment banking and capital operations. He currently serves an assistant general manager and a general manager in strategy and investment division at China Merchants Innovation Technology (Group) Co., Ltd. (招商局創新科技(集團)有限公司) since August 2024. Mr. SHEN previously served as an analyst and then associate in the investment banking division at China Merchants Securities (HK) Co., Limited (招商證券(香港)有限公司) from November 2006 to April 2011. From April 2011 to April 2012, he worked as an executive director in the investment banking division at Guosen Securities (HK) Capital Company Limited (國信證券(香港)融資有限公司). From April 2012 to November 2017, he worked as an executive director in Investment Department at China Merchants China Investment Management Limited (招商局中國投資管理有限公司). He served as (i) the director of the first division of the capital operation department (capital operation management office) from November 2017 to January 2019; (ii) the director of the second division of the capital operation department from January 2019 to March 2021; and (iii) the director of the investment development division of the capital operation department from March 2021 to September 2021, at China Merchants Group Limited (招商局集團有限公司). From May 2020 to May 2021, he served as a deputy general manager (on secondment) of Sinotrans Northeast China Co., Ltd (中國外運東北有限公司). From September 2021 to August 2024, he served as a senior managing director of China Merchants Investment Development Co., Ltd. (招商局投資發展有限公司). He was also a director at Nanjing Sanhome Pharmaceutical Co., Ltd (南京聖和藥業股份有限公司) until February 2017. Since December 2023, Mr. SHEN has been serving as a director at Shenzhen Infypower Co., Ltd. (深圳英飛源技術有限公司).

Mr. SHEN obtained a bachelor's degree in economics from Shanghai University of Finance and Economics (上海財經大學) in the PRC in June 2005 and a master's degree in science from University of Reading in the United Kingdom in July 2006.

Mr. LI Qiuyu (李秋雨) has over 14 years of experience in investment. He began his career at Huatai United Securities Co., Ltd (華泰聯合證券有限責任公司) from July 2010 to May 2018. Mr. LI currently serves as the head of the investment and acquisition section at Shenzhen S.F. Taisen Holdings (Group) Inc. (深圳順豐泰森控股(集團)有限公司), a company wholly owned by S.F. Holding Co., Ltd. (順豐控股股份有限公司), whose shares are listed on the Stock Exchange (stock code: 06936) and the Shenzhen Stock Exchange (stock code: 002352). Beyond to this, Mr. LI has also been serving as a non-executive director at Hangzhou SF Intra-city Industrial Co., Ltd. (杭州順豐同城實業股份有限公司), a company listed on the Stock Exchange (stock code: 09699) since June 2019.

Mr. LI obtained a bachelor's degree and a master's degree in finance from Wuhan University (武漢大學) in the PRC, in 2008 and June 2010, respectively.

Independent Non-executive Directors

Dr. HU Jianqiang (胡建強) was redesignated as an independent non-executive Director in June 2025.

Dr. HU brings extensive academic and research experience in applied mathematics, simulation optimization, big data analytics, and artificial intelligence-driven business analysis. Dr. HU serves as a distinguished professor, Hongyi chair professor at the school of management, as well as a doctoral supervisor at Fudan University (復旦大學).

Dr. HU obtained a bachelor's degree in mathematics from Fudan University (復旦大學) in the PRC in 1985 and a Ph.D. in applied mathematics from Harvard University in the United States in June 1990. Dr. HU currently holds or has previously held leadership positions the Operations Research Society of China (中國運籌學會) and Operations Research Society of Shanghai (上海運籌學會). He has received multiple academic honors, including the 2020 Operations Research Award from the Chinese Society of Operations Research (2020年中國運籌學會運籌研究獎) and has twice been awarded the Best Paper Award in the simulation field by The Institute for Operations Research and the Management Sciences (INFORMS) in 1998 and 2019.

Mr. MO Rong (莫融) was redesignated as an independent non-executive Director in June 2025.

Mr. MO has extensive expertise in international and domestic logistics and corporate investment. From March 1996 to April 2015, he was with Kintetsu World Express (China) Co., Ltd. (近鐵國際物流(中國)有限公司), a subsidiary of Kintetsu Group Holdings Co., Ltd. which is listed on Tokyo Stock Exchange (stock code: 9041), where his last role was a director and executive deputy general manager. Mr. MO currently holds two appointments, including (i) as the chairman and general manager at Shanghai Puyi Logistics Service Center (上海浦易貨運代理服務中心) since February 2014, and (ii) as an executive director at Shanghai Xintian Industry Investment & Management Co., Ltd. (上海欣天實業投資管理有限公司) since November 2016.

Mr. MO obtained a bachelor's degree in materials science and engineering from Tongji University (同濟大學) in the PRC in July 1989 and an EMBA from China Europe International Business School (CEIBS) (中歐國際工商學院) in the PRC in November 2004.

Mr. LAU Hak Lap (劉克立) has extensive experience in accounting and corporate advisory services. Currently, Mr. LAU serves as a founding partner and director at Hiller CPA Limited since December 2014, a firm of certified public accountants in Hong Kong, and as a director at H. L. Business Consultants Limited since August 2019.

Mr. LAU obtained a bachelor's degree in business administration, majoring in accounting (Honour), from The Hong Kong Polytechnic University in Hong Kong in June 1990. Mr. LAU is a fellow of the Association of Chartered Certified Accountants and the Hong Kong Society of Accountants.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth the key information about our senior management (other than those who are Directors) as of the Latest Practicable Date.

Name	Age	Positions	Roles and responsibilities	Date of joining our Group	Date of appointment as a senior management
Mr. SONG Yao* (宋垚).	43	Chief financial officer and secretary of the Board	Responsible for financial management, board affairs, and capital operation related work	January 13, 2025	January 13, 2025
Ms. MA Lan (馬蘭)	44	Vice president and chief human resource officer	Responsible for overall business operation and human resource	November 30, 2017	November 30, 2017

For biographies of senior management who are executive Directors, namely Dr. GU Chunguang, Dr. YANG Yan, Mr. SHEN Lu and Dr. BAI Hongxing, see "— Board of Directors — Executive Directors" in this section.

Mr. SONG Yao (宋垚) is our chief financial officer and secretary of the Board. In preparation of the Listing and next phase of growth, our Company established the chief financial officer role. Mr. SONG was appointed to lead this function given his combined experience in audit and investment banking. The Board believes that Mr. SONG's expertise makes him well-suited to guide the Company through this important stage and to formulate a financial strategy that supports its long-term value creation.

Before joining us, from July 2004 to June 2011, Mr. SONG worked at KPMG Huazhen LLP Shanghai Office as a manager. He then served as a senior vice president of the investment banking division at GF Securities Co., Ltd. (廣發證券股份有限公司), a company listed both on the Stock Exchange (stock code: 01776) and Shenzhen Stock Exchange (stock code: 000776), from July 2011 to December 2016. From December 2016 to November 2023, he held the position as a director of the investment banking division at First Capital Investment Banking Co., Ltd. (第一創業證券承銷保薦有限責任公司) (formerly known as J.P. Morgan First Capital Securities Co., Ltd. (第一創業摩根大通證券有限責任公司)). From November 2023 to January 2025, he was an executive vice president at Kunshan Hopo Electronic Technology Co., Ltd. (崑山市和博電子科技有限公司).

Mr. SONG holds a bachelor's degree in accounting from Shanghai International Studies University (上海外國語大學) in the PRC in July 2004 and a master's degree in economics from Renmin University of China (中國人民大學) in the PRC in June 2014. Mr. SONG is a non-practicing member of Chinese Institute of Certified Public Accountants (中國註冊會計師協會).

Ms. MA Lan (馬蘭) is our vice president and chief human resource officer. Since February 2012, Ms. MA has served in various key management positions within our Group. From February 2012 to March 2021, she served as the deputy general manager. From March 2021 to August 2022, she served as the vice president and concurrently as the head of the project delivery center. From August 2022 to September 2023, she served as the general manager of the project delivery center as well as the chief human resources officer. Since September 2023, she has been serving as the chief human resources officer and the deputy general manager of the integrated business division.

Before joining our Group, from April 2003 to January 2012, Ms. MA was with Jointown Pharmaceutical. During her tenure at Jointown Pharmaceutical, she held several positions including (i) a deputy director of the corporate management headquarters (企管總部副部長), (ii) a director of the technology management office (技術管理辦公室主任), and (iii) an assistant to the president (總裁助理).

Ms. MA obtained a bachelor's degree in business administration from Hubei University (湖北大學) in the PRC in June 2003. She then obtained an EMBA degree from Huazhong University of Science and Technology (華中科技大學) in the PRC in March 2021.

OTHER INFORMATION IN RELATION TO OUR DIRECTORS AND SENIOR MANAGEMENT

Further Information about Dr. GU and Dr. YANG

Pursuant to the announcement of Jointown Pharmaceutical dated August 27, 2014, Dr. GU, the then senior management member of Jointown Pharmaceutical, was found to have engaged in short-swing trading and violating blackout period restrictions (the "**Incident**"). Specifically, Dr. GU's securities account was found to have purchased 4,000 shares at RMB12.95 on June 20, 2014, and sold 5,000 shares at RMB16.00 on August 25, 2014, which constituted a breach of Article 47 of the then-effective PRC Securities Law and contravened the restriction prohibiting senior management of an A-share listed company from trading the company's securities within 30 days before an interim report is published. The violations occurred as Dr. GU's spouse, Dr. YANG, who managed Dr. GU's securities account without his knowledge, executed the trades to fund their child's tuition, and was unaware of the restrictions as she was not an employee of Jointown Pharmaceutical and had limited understanding of relevant restrictions. Both Dr. GU and Dr. YANG have confirmed that, at the time of the trades, they had no knowledge of any non-public information that could materially impact Jointown Pharmaceutical's stock price, nor did they have any intention to leverage any non-public information for personal gains. Upon being informed by Jointown Pharmaceutical of such violations, Dr. GU promptly returned all trading profits to Jointown Pharmaceutical, voluntarily paid an additional RMB8,000 to Jointown Pharmaceutical as a gesture of accountability and compensation, issued a formal apology, and together with Dr. YANG, studied relevant laws and regulations to enhance compliance awareness and prevent recurrence.

The Directors are of the view that the Incident did not adversely affect the suitability of Dr. GU and Dr. YANG to act as executive Directors under Rules 3.08 and 3.09 of the Listing Rules for the following reasons:

(i) as of the Latest Practicable Date and to the best knowledge of the Company, the Incident has been concluded, and neither Dr. GU nor Dr. YANG has been subject to any penalties, investigation or regulatory action by the Shanghai Stock Exchange, the CSRC or any other securities regulatory authority in connection with the Incident;

(ii) the non-compliance was unintentional and resulted from inadvertent oversight and lack of familiarity with relevant requirements, without any findings of fraud or dishonesty or giving rise to concerns about their respective integrity. Upon becoming aware of the Incident, Dr. GU and Dr. YANG took prompt rectification actions and enhanced their compliance awareness;

(iii) as advised by our PRC Legal Advisors, as of the date of this submission, no penalties, administrative or self-regulatory measures have been imposed on Dr. GU or Dr. YANG, and the possibility of such penalties is remote. Their current roles as Directors and/or senior management are in compliance with applicable PRC laws and regulations; and

(iv) the Company has implemented internal control measures to ensure full compliance with applicable laws and regulations upon Listing, including appointing a compliance adviser, enhancing internal policies on securities dealings by our Directors and senior management, as well as providing training on Hong Kong laws and the Listing Rules. The Company will adopt the Model Code for Securities Transactions by Directors of Listed Issuers and implement equally stringent guidelines for relevant employees upon Listing.

The Directors are also of the view that the Company's internal control measures governing securities dealings by Directors and senior management are effective in ensuring compliance with applicable laws, rules, and regulations.

Based on the independent due diligence conducted by the Joint Sponsors, the Joint Sponsors concur with the Directors' view on the suitability of Dr. Gu and Dr. Yang as Directors of the Company under Rules 3.08 and 3.09 of the Listing Rules as stated above.

Further Information about Mr. MO Rong

Mr. MO was a director of Shanghai Elite Bar Co., Ltd (上海精英酒吧有限公司) ("**Elite Bar**"), a limited liability company established in the PRC on September 25, 2006 and primarily focused on bar operation. He was appointed to this directorship by Shanghai Xintian Industry Investment Co., Ltd. (上海欣天實業投資管理有限公司) ("**Shanghai Xintian**"), the controlling shareholder of Elite Bar holding 75% therein. Mr. MO held 35% equity interest in Shanghai Xintian. As a non-executive director appointed by Shanghai Xintian, Mr. MO's role was limited to board-level oversight and did not involve daily operational management. The authority and responsibility for the day-to-day management, operations, and performance of Elite Bar were vested in a responsible staff appointed by the other shareholder of Elite Bar (the "**Responsible Staff**"), who then became Elite Bar's chairman and legal representative since July 2007. Elite Bar's business license was revoked in June 2010 due to failure to timely file the annual inspection documents for 2007 and 2008. This failure was ultimately attributed to the disappearance of the Responsible Staff with Elite Bar's business license, official seal, and accounting records after Elite Bar became insolvent under his management. The resulting circumstances rendered it impracticable for Elite Bar to complete the required filings and prevented other directors including Mr. MO from timely rectifying the situation. Shanghai Xintian filed a compulsory liquidation application for Elite Bar with the relevant court in February 2024 and the liquidation process was completed in May 2024. Elite Bar was then deregistered in July 2024. The debts of Elite Bar prior to its liquidation had been irrevocably settled and Mr. Mo was not responsible for any claims of debts against Elite Bar. Mr. MO confirmed that (i) he was not involved in the daily operation of Elite Bar; (ii) there was no wrongful act on his part leading to the revocation of business license or the liquidation of Elite Bar; (iii) he is not aware of any actual or potential claims which have been or could potentially be made against him as a result of the revocation of business license or the liquidation of Elite Bar; and (iv) no misconduct or misfeasance had been involved on his part in the revocation of business license or the liquidation of Elite Bar. Based on the above, the Directors are of the view, and the Joint Sponsors concur, that the revocation of business license or the liquidation of Elite Bar did not adversely affect the suitability of Mr. MO to act as an independent executive Director under Rules 3.08 and 3.09 of the Listing Rules.

Further Information about Mr. SONG Yao

According to the administrative penalty decision issued by the Jiangsu Bureau of the China Securities Regulatory Commission ("**Jiangsu CSRC**") dated December 24, 2025 (the "**Decision**"), First Capital Investment Banking Co., Ltd. (第一創業證券承銷保薦有限責任公司, "**FCIB**") was found to have failed to exercise due diligence in its continuous supervision of Hongda Xingye Co., Ltd.'s (鴻達興業股份有限公司, "**Hongda Xingye**") 2019 convertible bond project (the "**Relevant Project**").

Specifically, according to the Decision, Hongda Xingye was found to have arbitrarily changed the intended use of proceeds raised from the Relevant Project, with a portion of the funds being misappropriated by this company's controlling shareholder and its related parties. Furthermore, Hongda Xingye falsely reported the return of idle proceeds that had been temporarily used to supplement working capital. Its failure to accurately disclose the use and return of these proceeds led to false records in the relevant information disclosure documents. Accordingly, FCIB, as the continuous supervision sponsor for the Relevant Project, was found to have inadequately verified the use and repayment of proceeds, failed to issue the required verification opinions which led to false records in the relevant information disclosure documents, and failed to perform its supervisory and reporting duties as required under the PRC Securities Law. Jiangsu CSRC considers that FCIB's failure to exercise due diligence during the continuous supervision period constituted a breach under Articles 182 and 192 of the then effective PRC Securities Law.

Mr. SONG Yao, in his capacity as one of the sponsor representatives responsible for the Relevant Project at that time, has been identified as one of the directly responsible persons of FCIB in the Decision, and was therefore imposed a warning and a monetary fine of RMB1.5 million.

As advised by the Company's PRC Legal Advisor, based on the facts of illegality ascertained by Jiangsu CSRC and the relevant legal basis for penalties, the administrative penalties imposed on Mr. Song are limited to a warning and a monetary fine, which fall within the tier of lighter penalties pursuant to the Basic Rules of the China Securities Regulatory Commission on Administrative Penalty Discretion (《中國證監會行政處罰裁量基本規則》). Accordingly, under the PRC Company Law and the Articles of Association of the Company, the imposition of such administrative penalties, if any, would not disqualify Mr. SONG from serving as a senior management of our Company and therefore, there is no legal impediment for him to continue serving as our chief financial officer and the secretary of the Board.

Having considered the PRC Legal Advisor's advise and the relevant circumstances that (i) the role and responsibilities of a sponsor representative are fundamentally different from those of Mr. SONG's current management positions in our Company. A sponsor representative operates in an external and regulatory intermediary capacity, focusing on independent due diligence and continuous supervision of issuers, particularly in relation to regulatory compliance. By contrast, Mr. SONG, in his capacity as chief financial officer and secretary of the Board of our Company, is primarily responsible for financial management (including financial reporting, budgeting and treasury operations) and assisting in coordinating board affairs. The administrative penalty in connection with the Relevant Project relates solely to his prior role as a sponsor representative and bears no relevance to the qualifications, experience, or scope of duties required in his current positions. In addition, the matter in question primarily arose from Hongda Xingye's own regulatory violations, including the misappropriation of funds and inaccurate disclosures, which were internal governance failures solely attributable to Hongda Xingye. As an external sponsor representative acting in an intermediary capacity, unlike being an chief financial officer or a board secretary internally, Mr. SONG had neither the authority to fully control nor the ability to completely uncover or prevent these non-compliant actions conducted by Hongda Xingye; (ii) the administrative penalty imposed on Mr. SONG does not involve integrity, fraud, or moral misconduct, and there is no evidence of deliberate wrongdoing by Mr. SONG and is limited to professional judgment in a past regulatory context; (iii) the penalties imposed do not create any statutory or regulatory bar on Mr. SONG's eligibility or capability to serve as a sponsor representative in the PRC securities industry or a senior management member of the Company; and (iv) save for the aforementioned matter, Mr. SONG has maintained a strong track record of being an investment banking professional and is not subject to any other administrative penalties, regulatory concerns, supervisory interviews, disciplinary actions or other proceedings, the Directors are of the view, and the Joint Sponsors concur, that the incident does not relate to, or have any impact on, the business operations, financial position, internal control, or corporate integrity of the Company, nor does this incident affect the competency or suitability of Mr. SONG as a senior management of the Company.

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

Save as disclosed in "— Board of Directors" and "— Senior Management" above, none of the Directors and senior management held any other directorships in any other company listed in Hong Kong or overseas during the three years immediately preceding the date of this prospectus.

Dr. GU is the spouse of Dr. YANG. Save as disclosed above, none of our Directors and senior management is related to other Directors and senior management.

JOINT COMPANY SECRETARIES

Mr. SONG Yao (宋垚), has been appointed as one of our joint company secretaries on June 4, 2025. For details of his biography, see "— Senior Management" above.

Mr. Wong Chun Wing Samuel (黃俊穎), has been appointed as one of our joint company secretaries on June 4, 2025. He is an assistant manager of the listing services division at TMF Hong Kong Limited, a company providing corporate accounting and corporate secretarial services in Hong Kong. He has around eight years of experience in company secretarial profession. Mr. Wong is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. Wong received a bachelor's degree in business administration from the Hang Seng University of Hong Kong (formerly known as Hang Seng Management College) in November 2017.

BOARD COMMITTEES

Our Company has established four committees under the Board in accordance with the relevant laws and regulations in mainland China, the Articles and the code of corporate governance practices under the Listing Rules, including the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee.

Audit Committee

We have established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to (i) assisting our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, (ii) overseeing the audit process, and (iii) performing other duties and responsibilities as assigned by our Board. The Audit Committee comprises one non-executive Director, namely Mr. SHEN Qi and two independent non-executive Directors, namely, Mr. LAU Hak Lap and Mr. MO Rong. Mr. LAU Hak Lap is the chairperson of the Audit Committee. Mr. LAU holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration Committee

We have established a Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration and Appraisal Committee are to (i) making recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving remuneration proposals in accordance with the corporate policies and objectives resolved by our Board. The Remuneration and Appraisal Committee comprises one executive Director, namely, Dr. BAI Hongxing, and two independent non-executive Directors, namely, Dr. HU Jianqiang and Mr. MO Rong. Dr. HU Jianqiang is the chairperson of the Remuneration and Appraisal Committee.

Nomination Committee

We have established a Nomination Committee in compliance with the Code on Corporate Governance set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to (i) reviewing the structure, size and composition of our Board, (ii) assessing the independence of independent non-executive Directors and (iii) making recommendations to our Board on matters relating to the appointment of Directors. The Nomination Committee comprises one executive Director, namely, Dr. YANG Yan, and two independent non-executive Directors, namely, Dr. HU Jianqiang and Mr. LAU Hak Lap. Dr. HU Jianqiang is the chairperson of the Nomination Committee.

Strategy Committee

We have established the Strategy Committee in compliance with the Article of Association. The primary duties of the Strategy Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company. The Strategy Committee comprises one executive Director, namely, Dr. GU Chunguang and two independent non-executive Directors, namely, Dr. HU Jianqiang and Mr. MO Rong. Dr. GU Chunguang is the chairperson of the Strategy Committee.

CORPORATE GOVERNANCE CODE

Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group to achieve effective accountability. Our Company intends to comply with all code provisions in the Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after the Listing except for code provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairperson of the board and chief executive should be separate and should not be performed by the same individual.

The roles of chairperson of the Board and chief executive officer of our Company are currently performed by Dr. GU Chunguang. In view of Dr. GU's substantial contribution to our Group since our establishment and his extensive experience, we consider that having Dr. GU acting as both our chairperson of the Board and chief executive officer will provide strong and consistent leadership to our Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Dr. GU continues to act as both our chairperson of the Board and chief executive officer after the Listing, and therefore currently do not propose to separate the functions of chairperson of the Board and chief executive officer. While this would constitute a deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Dr. GU and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether the separation of the roles of chairperson of the Board and chief executive officer is necessary.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy which sets out the approach to achieve diversity on our Board. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. We select potential Board candidates based on merit and their potential contribution to our Board while taking into consideration our own business model and specific needs from time to time.

Our Board has a balanced mix of knowledge, skills and experience. We have three independent non-executive Directors who have different industry backgrounds. Furthermore, our Directors are of a wide range of age, from 37 to 62 years old. Taking into account our business model and specific needs as well as the presence of one female Director out of a total of nine Board members, we consider that the composition of our Board satisfies our board diversity policy.

We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. In particular, taking into account the business needs of our Group and changing circumstances that may affect our business plans, we will actively identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be periodically reviewed by our Nomination Committee in order to develop a pipeline of potential successors to our Board and promote gender diversity. We will also ensure that there is gender diversity when recruiting staff at the mid- to senior- levels so that we have a pipeline of female senior management and potential successors to our Board going forward.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After Listing, our Nomination Committee will review our board diversity policy and its implementation annually to monitor its continued effectiveness and we will disclose the implementation of our board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives, in our corporate governance report on an annual basis.

COMPLIANCE ADVISOR

We have appointed Guotai Junan Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws.

The term of appointment of our Compliance Advisor shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The Directors and senior management members who receive remuneration from the Company are paid in forms of fees, salaries, allowances and benefits in kind, and retirement scheme contributions. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders' meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

For the years ended 2022, 2023 and 2024 and nine months ended September 30, 2025, the total amount of remuneration (including fees, salaries, allowances and benefits in kind, and retirement scheme contributions) and other benefits in kind (if applicable) paid to our Directors were RMB1.2 million, RMB1.2 million, RMB1.5 million and RMB2.0 million, respectively.

According to existing effective arrangements, we estimate the total remuneration before taxation to be accrued to our Directors in kind for their service for the year ending December 31, 2026 to be approximately RMB2.3 million. The actual remuneration of our Directors in 2026 may be different from the expected remuneration.

For the years ended 2022, 2023 and 2024 and nine months ended September 30, 2025, the total emoluments paid to the five highest paid individuals (including Directors) by us amounted to RMB3.8 million, RMB4.0 million, RMB3.7 million and RMB2.4 million, respectively. None of the five highest paid individuals for the years ended 2022, 2023 and 2024 were Directors. During the nine months ended September 30, 2025, two of the five highest paid individuals were Directors.

During the Track Record Period, (i) no remuneration was paid to or receivable by our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office; (ii) none of our Directors waived any remuneration; and (iii) save as disclosed above, no other payments have been or are payable by us or any of our subsidiaries to our Directors or the five highest paid individuals.

CONFIRMATIONS FROM OUR DIRECTORS

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 21, 2025 or June 6, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors has confirmed (i) that his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his appointments.

Each of our Directors confirms that as of the Latest Practicable Date, they 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.

So far as our Directors are aware, immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares (assuming that the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes), the following persons are expected to have or be deemed or taken to have an interest and/or a short position in the Shares or underlying shares of our Company, which would be required to be disclosed to us and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will, directly or indirectly, be interested in 10% or more of the nominal value of share capital carrying rights to vote in all circumstances at the general meetings of the Company or any other members of the Group:

				Immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares	
Name	**Nature of interest[1]**	**Description of Shares**	**Number of Share interested in as of the Latest Practicable Date**	**Number of Shares**	**% of shareholding in the total issued share capital[2]**
Dr. GU Chunguang[3][4]	Beneficial owner	Unlisted Shares	22,696,560	–	–
		H Shares	–	22,696,560	5.30%
	Interest of controlled corporation	Unlisted Shares	55,135,080	–	–
		H Shares	–	55,135,080	12.89%
	Interest of spouse; Interests held jointly with another person	Unlisted Shares	38,824,920	–	–
		H Shares	–	38,824,920	9.07%
Dr. YANG Yan[3][5]	Interest of controlled corporation	Unlisted Shares	68,466,960	–	–
		H Shares	–	68,466,960	16.00%
	Interest of spouse; Interests held jointly with another person	Unlisted Shares	48,189,600	–	–
		H Shares	–	48,189,600	11.26%
Mr. SHEN Lu[3][6]	Interest of controlled corporation	Unlisted Shares	24,935,040	–	–
		H Shares	–	24,935,040	5.83%
	Interests held jointly with another person	Unlisted Shares	91,721,520	–	–
		H Shares	–	91,721,520	21.44%
Ms. MA Lan[3][7]	Beneficial owner	Unlisted Shares	558,000	–	–
		H Shares	–	558,000	0.13%
	Interests held jointly with another person	Unlisted Shares	116,098,560	–	–
		H Shares	–	116,098,560	27.13%
Jiaxing Jiumai[3][8]	Beneficial owner	Unlisted Shares	13,331,880	–	–
		H Shares	–	13,331,880	3.12%
	Interest of controlled corporation	Unlisted Shares	55,135,080	–	–
		H Shares	–	55,135,080	12.89%
	Interests held jointly with another person	Unlisted Shares	48,189,600	–	–
		H Shares	–	48,189,600	11.26%
Jiaxing Huige[3][9]	Beneficial owner	Unlisted Shares	22,053,960	–	–
		H Shares	–	22,053,960	5.15%
	Interests held jointly with another person	Unlisted Shares	94,602,600	–	–
		H Shares	–	94,602,600	22.11%
Jiaxing Rongming[3][10]	Beneficial owner	Unlisted Shares	33,081,120	–	–
		H Shares	–	33,081,120	7.73%
	Interests held jointly with another person	Unlisted Shares	83,575,440	–	–
		H Shares	–	83,575,440	19.53%
Jiaxing Gaile[3][11]	Beneficial owner	Unlisted Shares	24,935,040	–	–
		H Shares	–	24,935,040	5.83%
	Interests held jointly with another person	Unlisted Shares	91,721,520	–	–
		H Shares	–	91,721,520	21.44%
S.F. Taisen[12]	Interest of controlled corporation	Unlisted Shares	55,135,080	–	–
		H Shares	–	55,135,080	12.89%
S.F. Technology[12]	Beneficial owner	Unlisted Shares	33,081,120	–	–
		H Shares	–	33,081,120	7.73%
Suzhou Huidao[12][16]	Beneficial owner	Unlisted Shares	22,053,960	–	–
		H Shares	–	22,053,960	5.15%

Name	Nature of interest[(1)]	Description of Shares	Number of Share interested in as of the Latest Practicable Date	Immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares	
				Number of Shares	% of shareholding in the total issued share capital[(2)]
CICC Capital[(13)]	Interest of controlled corporation	Unlisted Shares	39,687,120	–	–
		H Shares	–	39,687,120	9.28%
Qirong[(14)]	Interest of controlled corporation	Unlisted Shares	39,687,120	–	–
		H Shares	–	39,687,120	9.28%
Qijiang[(13)]	Beneficial owner	Unlisted Shares	24,324,480	–	–
		H Shares	–	24,324,480	5.68%
CM Group[(15)]	Interest of controlled corporation	Unlisted Shares	30,915,099	–	–
		H Shares	–	30,915,099	7.23%
China Merchants Advanced Technology[(15)]	Beneficial owner	Unlisted Shares	25,328,160	–	–
		H Shares	–	25,328,160	5.92%
LIN Zheying[(16)]	Interest of controlled corporation	Unlisted Shares	25,142,760	–	–
		H Shares	–	25,142,760	5.88%
TopView Innovation[(17)]	Beneficial owner	Unlisted Shares	22,660,200	–	–
		H Shares	–	22,660,200	5.30%

Notes:

(1) All interests are stated in long positions.

(2) The calculation is based on 427,883,729 Shares (comprising 36,798,000 H Shares to be issued under the Global Offering and 391,085,729 H Shares to be converted from Unlisted Shares) in issue immediately upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes).

(3) Pursuant to Concert Party Agreements, Dr. GU Chunguang, Dr. YANG Yan, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming and Jiaxing Gaile are parties acting in concert regarding decisions at the Board meetings and general meetings of our Company which will continue after the Listing Date. Dr. GU Chunguang and Dr. YANG Yan are spouses. As such, under the SFO, each of them is deemed to be interested in the Shares in which the others are interested in.

(4) Dr. GU Chunguang is deemed to be interested in 116,656,560 Shares, consisting of (i) 22,696,560 Shares held by himself; (ii) 22,053,960 Shares held by Jiaxing Huige (a limited partnership for which Dr. GU Chunguang contributes more than one third of the limited partnership interest); (iii) 33,081,120 Shares held by Jiaxing Rongming (a limited partnership for which Jiaxing Jiumai is the general partner. Jiaxing Jiumai is wholly owned by Dr. YANG Yan, the spouse of Dr. GU Chunguang); and (iv) 38,824,920 Shares held by Ms. MA Lan, Jiaxing Jiumai and Jiaxing Gaile, in which he is deemed to be interested as a result of being a concerting party with them.

(5) Dr. YANG Yan is deemed to be interest in 116,656,560 Shares, consisting of (i) 68,466,960 Shares held by Jiaxing Jiumai (a company wholly owned by Dr. YANG Yan), Jiaxing Huige (a limited partnership for which Jiaxing Jiumai is the general partner) and Jiaxing Rongming (a limited partnership for which Jiaxing Jiumai is the general partner); and (ii) 48,189,600 Share held by Dr. GU Chunguang, Ms. MA Lan and Jiaxing Gaile, in which she is deemed to be interested as a result of being a concerting party with them.

(6) Mr. SHEN Lu is deemed to be interested in 116,656,560 Shares, consisting of (i) 24,935,040 Shares held by Jiaxing Gaile (a company in which Mr. SHEN Lu holds a 90% interest); and (ii) 91,721,520 Share held by Dr. GU Chunguang, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige and Jiaxing Rongming, in which he is deemed to be interested as a result of being a concerting party with them.

(7) Ms. MA Lan is deemed to be interested in 116,656,560 Shares, consisting of (i) 558,000 Shares held by herself; and (ii) 116,098,560 Share held by Dr. GU Chunguang, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming and Jiaxing Gaile, in which she is deemed to be interested as a result of being a concerting party with them.

(8) Jiaxing Jiumai is deemed to be interested in 116,656,560 Shares, consisting of (i) 13,331,880 Shares held by itself; (ii) 55,135,080 Shares held by Jiaxing Huige (a limited partnership for which Jiaxing Jiumai is the general partner) and Jiaxing Rongming (a limited partnership for which Jiaxing Jiumai is the general partner); and (iii) 48,189,600 Share held by Dr. GU Chunguang, Ms. MA Lan and Jiaxing Gaile, in which it is deemed to be interested as a result of being a concerting party with them.

(9) Jiaxing Huige is deemed to be interested in 116,656,560 Shares, consisting of (i) 22,053,960 Shares held by itself; and (ii) 94,602,600 Shares held by Dr. GU Chunguang, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Rongming and Jiaxing Gaile, in which it is deemed to be interested as a result of being a concerting party with them.

(10) Jiaxing Rongming is deemed to be interested in 116,656,560 Shares, consisting of (i) 33,081,120 Shares held by itself; and (ii) 83,575,440 Shares held by Dr. GU Chunguang, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige and Jiaxing Gaile, in which it is deemed to be interested as a result of being a concerting party with them.

(11) Jiaxing Gaile is deemed to be interested in 116,656,560 Shares, consisting of (i) 24,935,040 Shares held by itself; and (ii) 91,721,520 Shares held by Dr. GU Chunguang, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige and Jiaxing Rongming, in which it is deemed to be interested as a result of being a concerting party with them.

(12) Shenzhen S.F. Taisen Holdings (Group) Inc. (深圳順豐泰森控股(集團)有限公司) ("**S.F. Taisen**") is deemed to be interested in 55,135,080 Shares, consisting of (i) 33,081,120 Shares held by S.F. Technology Co., Ltd. (順豐科技有限公司) ("**S.F. Technology**") (a company wholly owned by S.F. Taisen); (ii) 22,053,960 Shares held by Suzhou Huidao M&A Investment Fund Partnership (Limited Partnership) (蘇州匯道併購投資基金合夥企業(有限合夥)) ("**Suzhou Huidao**") (a limited partnership in which S.F. Taisen contributes more than one third of the limited partnership interests). S.F. Taisen is wholly owned by S.F. Holding Co., Ltd. (順豐控股股份有限公司) ("**S.F. Holding**"), a company listed on the Shenzhen Stock Exchange (stock code: 002352) and the Stock Exchange (stock code: 6936). As such, under the SFO, S.F. Holding is deemed to be interested in Shares where S.F. Taisen is interested.

(13) CICC Capital Operation Co., Ltd. (中金資本運營有限公司) ("**CICC Capital**") is deemed to be interested in 39,687,120 Shares, consisting of (i) 24,324,480 Share held by CICC Gongying Qijiang (Shanghai) Kechuang Equity Investment Fund Partnership (L.P.) (中金共贏啟江(上海)科創股權投資基金合夥企業(有限合夥)) ("**Qijiang**") (a limited partnership for which CICC Capital is the general partner); and (ii) 15,362,640 Shares held by Qilu (Xiamen) Equity Investment Partnership (Limited Partnership) (啟鷺(廈門)股權投資合夥企業(有限合夥)) ("**Qilu**") (a limited partnership for which CICC Capital is the general partner). CICC Capital is wholly owned by CICC International Capital Corporation Limited (中國國際金融股份有限公司) ("**CICC**"), a company listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 3908). As such, under the SFO, CICC is deemed to be interested in Shares where CICC Capital is interested.

(14) CICC Qirong (Xiamen) Equity Investment Fund Partnership (L.P.) (中金啟融(廈門)股權投資基金合夥企業(有限合夥)) ("**Qirong**") is deemed to be interested in 39,687,120 Shares, consisting of (i) 24,324,480 Share held by Qijiang (a limited partnership in which Qirong contributes more than one third of limited partnership interests); and (ii) 15,362,640 Shares held by Qilu (a limited partnership in which Qirong contributes more than one third of limited partnership interests). Yatou Yinxin (Xiamen) Investment Management Co., Ltd. (亞投銀欣(廈門)投資管理有限公司) ("**Yatou Yinxin**"), a company owned as to 50% by each of ZHONG Zhen (仲貞) and HUANG Jiangzhen (黃江圳), holds more than one third of limited partnership interests in Qirong. As such, under the SFO, each of ZHONG Zhen, HUANG Jiangzhen and Yatou Yinxin is deemed to be interested in Shares where Qirong is interested.

(15) China Merchants Group Limited (招商局集團有限公司) ("**CM Group**") is deemed to be interested in 30,915,099 Shares, consisting of (i) 25,328,160 Share held by China Merchants Advanced Technology Development (Shenzhen) Co., Ltd. (招商局先進技術開發(深圳)有限公司)) ("**China Merchants Advanced Technology**") (a company indirectly wholly owned by CM Group); and (ii) 5,586,939 Shares held by Wuxi Industrial Development Service Trade Investment Fund Partnership (L.P.) (無錫產發服務貿易投資基金合夥企業(有限合夥)) ("**Wuxi Industrial Development**") (a limited partnership whose general partner, China Merchants Helios Capital Management Co., Ltd. (深圳市招商金葵資本有限責任公司), is in turn controlled by CM Group as to 50%).

(16) Suzhou Huidao is a limited partnership established under the laws of the PRC and its general partner is Suzhou Ruihuang Equity Investment Management Limited Partnership (L.P.) (蘇州瑞璜股權投資管理合夥企業(有限合夥)) ("**Suzhou Ruihuang**"). The general partner of Suzhou Ruihuang is LIN Zheying (林哲瑩). Suzhou Gu Yu Ding Ruo Equity Investment Management Partnership Enterprise (Limited Partnership) (蘇州古玉鼎若股權投資管理合夥企業(有限合夥)) ("**Suzhou Guyu**") is a limited partnership established under the laws of the PRC and managed by its general partner Suzhou Gu Yu Hao Chen Equity Investment Management Partnership Enterprise (Limited Partnership) (蘇州古玉浩宸股權投資管理合夥企業(有限合夥)), which was ultimately controlled by LIN Zheying. As such, under the SFO, Suzhou Ruihuang is deemed to be interested in Shares held by Suzhou Huidao, and LIN Zheying is deemed to be interested in the Shares held by Suzhou Huidao and Suzhou Guyu.

(17) Jiaxing Zhehua Summitview Investment Partnership (L.P.) (嘉興浙華武岳峰投資合夥企業(有限合夥)) ("**TopView Innovation**") is a limited partnership controlled by its general partner Jiaxing Summitview Energy Environmental Investment Management Partnership Enterprise (L.P.) (嘉興武岳峰能環投資管理合夥企業(有限合夥)) ("**Summitview Energy**"). Summitview Energy, also a limited partnership, is controlled by its general partner Jiaxing Summitview Investment Management Co., Ltd. (嘉興武岳峰投資管理有限公司) ("**Summitview Management**"). LI Feng (李峰) holds 80% equity interest in Summitview Management. As such, under the SFO, each of LI Feng, Summitview Management, Summitview Energy is deemed to be interested in Shares held by TopView Innovation.

Save as otherwise disclosed herein, our Directors are not aware of any persons who will, immediately following the Global Offering and the Conversion of Unlisted Shares into H Shares (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes), have any interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company.

OVERVIEW

Immediately Before the Global Offering

As of the Latest Practical Date, our registered capital was RMB391,085,729, comprising 391,085,729 Unlisted Shares with a nominal value of RMB1.00 each.

Upon the Completion of the Global Offering

Immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares, the share capital of our Company will be as follows:

Assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes:

Description of Shares	Number of Shares	% of the total issued share capital
H Shares converted from Unlisted Shares	391,085,729	91.40%
H Shares to be issued pursuant to the Global Offering	36,798,000	8.60%
Total	**427,883,729**	**100.0%**

Assuming the Over-allotment Option is exercised in full and no Shares are issued under the Pre-IPO Share Option Schemes:

Description of Shares	Number of Shares	% of the total issued share capital
H Shares converted from Unlisted Shares	391,085,729	90.24%
H Shares to be issued pursuant to the Global Offering	42,317,600	9.76%
Total	**433,403,329**	**100.0%**

SHARES OF OUR COMPANY

Upon completion of the Global Offering, the share capital of our Company will consist of H Shares only. The H Shares, however, generally may not be subscribed for by, or traded between, legal or natural persons of the PRC, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold the H Shares pursuant to relevant PRC laws and regulations or upon approval by any competent authorities.

All dividends in respect of the H Shares are to be declared in RMB and paid by our Company in Hong Kong dollars or RMB. Other than cash, dividends could also be paid in the form of Shares or a combination of cash and Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be converted into H Shares. Such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been filed with the CSRC. Additionally, such conversion, trading and listing shall meet any requirement of the internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

Listing Review and Filing with the CSRC

We have applied for a "full circulation" filing when applying for an overseas listing with the CSRC on June 27, 2025 and submitted the application reports, authorization documents of the shareholders of unlisted shares for which an H-share "full circulation" filing was applied, undertaking about the compliance of share acquisition and other documents in accordance with the requirements of CSRC.

We have received the filing notice from the CSRC dated January 29, 2026 in relation to the filing of the overseas listing and the Conversion of Unlisted Shares into H Shares pursuant to which:

(i) our Company was approved to issue no more than 49,971,800 H Shares with a nominal value of RMB1.00 each, which are all ordinary Shares, and upon this issuance the Company may be listed on the Main Board of the Stock Exchange; and

(ii) our Company was approved to convert a total of 391,085,729 Unlisted Shares (with a nominal value of RMB1.00 each) held by our all existing Shareholders (the "**Full Circulation Participating Shareholders**") into H Shares, and the relevant Shares may be listed on the Stock Exchange upon completion of the conversion.

Upon completion of the conversion, no Unlisted Shares will remain in the share capital of our Company. Where the Global Offering cannot be completed within one year upon receipt of the filing notice, and our Company will continue to conduct overseas listing and global offering after that, it shall update the filing materials, and the CSRC will update the public filing information accordingly.

Listing Approval by 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 Over-allotment Option), the H Shares to be issued under the Pre-IPO Share Option Schemes, and the H Shares to be converted from 391,085,729 Unlisted Shares on the Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (i) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (ii) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING

The PRC Company Law provides that in relation to the public share offering of a company, the shares of the company which have been issued prior to the offering shall not be transferred within one year from the date of the listing. Accordingly, Shares issued by our Company prior to the Listing Date shall be subject to this statutory restriction and shall not be transferred for a period of one year from the Listing Date.

Pursuant to the PRC Company Law, 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 our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the H Shares are listed and traded, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors and members of senior management, a summary of which is set out in "Appendix V — Summary of Articles of Association."

SHAREHOLDER'S GENERAL MEETINGS

For details of circumstances under which our general Shareholders' meeting is required, see "Appendix IV — Summary of Principal Legal and Regulatory Provisions" and "Appendix V — Summary of Articles of Association" to this prospectus.

You should read the following discussion and analysis in conjunction with our historical financial information, together with the accompanying notes, included in the Accountants' Report set out in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not rely solely on the information contained in this section.

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 assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, our actual performance may differ materially from those anticipated in these forward-looking statements, as a result of various risks and uncertainties over which we do not have full control. For details, see "Forward-looking Statements" and "Risk Factors."

OVERVIEW

We are an intelligent intralogistics robotics provider offering a diverse range of robots centered on three core product lines: multi-directional shuttle robots (MSRs), autonomous mobile robots (AMRs), and conveying and sorting robots (CSRs). Our robotics portfolio covers the entire spectrum of intralogistics operations, addressing the core functions of storage, sorting and transport. We ranked the fifth among the top five comprehensive intelligent intralogistics robotics companies in China by revenue in 2024.

In 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, our total revenue was RMB656.9 million, RMB550.8 million, RMB721.4 million, RMB344.2 million and RMB551.6 million, respectively, with corresponding gross profit of RMB103.4 million, RMB91.7 million, RMB113.6 million, RMB60.2 million and RMB91.4 million. Our gross profit margin was at 15.7%, 16.6% and 15.7%, 17.5% and 16.6% respectively, in 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025. Our loss for the year narrowed from RMB209.6 million and RMB241.6 million in 2022 and 2023, to RMB178.1 million in 2024, and our adjusted net loss (non-IFRS measure) decreased from RMB116.6 million and RMB122.8 million in 2022 and 2023, to RMB50.5 million in 2024. Loss for the period decreased from RMB141.3 million to RMB134.5 million for the nine months ended September 30, 2024 and 2025, respectively, and the adjusted net loss (non-IFRS measure) decreased from RMB46.4 million to RMB13.8 million during the same periods.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the historical financial information, we have adopted all applicable new and revised IFRS Accounting Standards throughout the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 36 of the Accountants' Report set out in Appendix I to this prospectus.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the most significant factors affecting our results of operations and financial condition include the following:

Industry Growth and Market Demand

The growth of the global and domestic intralogistics market is a key factor affecting our results of operations, as increasing labor costs and demand for operational efficiency continue to drive adoption of intelligent automation solutions. The global intralogistics market is experiencing transformative growth driven by increasing labor costs and demands for operational efficiency. According to Frost & Sullivan, the global intralogistics market reached RMB2,336.9 billion in 2024, and is projected to reach RMB3,667.4 billion by 2030. China represents the most complex and diverse logistics landscape globally, creating particularly strong demand for robotization and intelligent automation, with its domestic intelligent intralogistics market projected to grow at a

CAGR of 15.1% from RMB204.6 billion in 2025 to reach RMB413.7 billion by 2030. Our broad product capabilities across different handling scales and facility types, together with our ongoing investment in R&D and new product development, are key factors supporting our competitiveness and revenue growth.

Customer Relationships and Industry Coverage

Our financial performance depends on our ability to deepen existing customer relationships while expanding our overall customer base across industries. We offer product flexibility ranging from single-function robot deployments to comprehensive multi-function systems, and maintain engagement with customers throughout the project lifecycle from planning and design through after-sales services.

Our track record of over 1,600 successful project implementations, including multiple large-scale projects exceeding RMB100 million, spans diverse industries including Fortune Global 500 companies. The breadth of our core intralogistics capabilities across storage, sorting, and transport functions enables us to apply our implementation experience and industry knowledge across different sectors, supporting our ability to grow revenue through both repeat business and new customer acquisition.

Product Portfolio Optimization and Technological Advancement

Our financial performance is supported by our broad and diverse product portfolio, which spans MSRs and AMRs covering a full range of handling scales from lightweight tote handling to heavy pallet operations and from multi-story to high-bay facilities, as well as CSRs offering flexible transport and sorting capabilities, and other robotic automation products such as tote and pallet stackers and lifts. This breadth of offerings enables us to develop customized solutions that address varied customer requirements across different operational scenarios. We continue to invest in advancing three core technology areas, namely digital twin simulation, AI applications, and robotics intelligence, which are expected to support increasingly differentiated product offerings, streamlined development and implementation processes, and sustainable margins through flexible pricing and operational efficiency gains.

Operational Efficiency and Cost Management

Our financial performance benefits significantly from our focus on operational efficiency and cost management, as demonstrated by consistent improvement in operating expenses during the Track Record Period. Selling and marketing expenses decreased from RMB69.3 million in 2022 to RMB63.8 million in 2023, and further reduced significantly to RMB40.9 million in 2024. The selling and marketing expenses remained stable at RMB29.9 million for the nine months ended September 30, 2024 and RMB32.5 million for the same period in 2025. Administrative expenses also decreased from RMB66.6 million in 2022 to RMB60.9 million in 2024 after an initial increase to RMB78.0 million in 2023, which primarily reflected increased depreciation and amortization expenses as well as higher employee benefit expenses associated with our business expansion. The administrative expenses increased from RMB42.7 million for the nine months ended September 30, 2024 to RMB56.9 million for the same period in 2025, primarily reflecting an increase in listing expenses in relation to the Global Offering. R&D expenses decreased from RMB94.6 million in 2022 to RMB85.4 million in 2023, and further decreased to RMB62.0 million in 2024. The R&D expenses remained stable at RMB44.8 million for the nine months ended September 30, 2024 and RMB48.1 million for the same period in 2025. These trends reflect our organizational restructuring and workforce optimization initiatives, as well as efforts to optimize procurement terms, reduce deployment costs, and streamline supply chain processes, which we expect to continue to impact our cost structure and margins going forward.

International Expansion Efforts

Our geographic expansion is a key growth driver, with operations now spanning 19 countries and regions and revenue from markets outside mainland China growing at a CAGR of 17% from 2022 to 2024. This growth trajectory is expected to continue, supported by increasing demand for automated logistics solutions in developed markets and rapid industrialization in emerging economies. We plan to continue growing our international presence through local partnerships and collaborations and expanding our marketing reach.

MATERIAL ACCOUNTING POLICIES AND CRITICAL JUDGMENTS AND ESTIMATES

The preparation of historical financial information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from such estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. See Note 2 to the Accountants' Report set out in Appendix I to this prospectus for a detailed description of our material accounting policies, judgments and estimates.

DESCRIPTION OF SELECTED COMPONENTS OF THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(unaudited)	
Revenue	**656,924**	**550,790**	**721,417**	**344,216**	**551,637**
Cost of sales	(553,496)	(459,123)	(607,855)	(283,995)	(460,225)
Gross profit	**103,428**	**91,667**	**113,562**	**60,221**	**91,412**
Other income	10,352	24,286	17,425	10,515	9,077
Other net (loss)/gain	(301)	(4,080)	110	(868)	900
Selling and marketing expenses	(69,252)	(63,759)	(40,853)	(29,906)	(32,528)
Administrative expenses	(66,619)	(78,046)	(60,924)	(42,715)	(56,906)
R&D expenses	(94,554)	(85,364)	(61,995)	(44,754)	(48,113)
Impairment loss recognized on property, plant and equipment	–	(7,086)	–	–	–
Impairment loss (recognized)/reversal on trade receivables and contract assets	(6,444)	(8,804)	(22,306)	(2,864)	1,148
Loss from operations	**(123,390)**	**(131,186)**	**(54,981)**	**(50,371)**	**(35,010)**
Net finance income	4,404	6,294	4,226	3,560	1,758
Changes in the carrying amount of the redemption liability	(89,949)	(116,489)	(126,166)	(93,530)	(100,655)
Loss before taxation	**(208,935)**	**(241,381)**	**(176,921)**	**(140,341)**	**(133,907)**
Income tax	(633)	(233)	(1,137)	(1,008)	(564)
Loss for the year/period	**(209,568)**	**(241,614)**	**(178,058)**	**(141,349)**	**(134,471)**
Other comprehensive income for the year/period (after tax):					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial statements of overseas subsidiaries	(4)	(8)	194	51	(240)
Total comprehensive income for the year/period	**(209,572)**	**(241,622)**	**(177,864)**	**(141,298)**	**(134,711)**

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(unaudited)	
Attributable to:					
Equity shareholders of our Company	(209,342)	(241,723)	(168,764)	(135,375)	(135,245)
Non-controlling interests	(230)	101	(9,100)	(5,923)	534
Total comprehensive income for the year/period	**(209,572)**	**(241,622)**	**(177,864)**	**(141,298)**	**(134,711)**

Non-IFRS Measure

We define adjusted net loss (non-IFRS measure) as net loss for the year/period adjusted by adding back equity settled share-based payment expenses, changes in the carrying amount of the redemption liability and listing expenses.

To supplement our consolidated financial statements, we also use adjusted net loss (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure as an analytical tool has limitations, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. The following table reconciles our adjusted net loss (non-IFRS measure) for the years presented in accordance with IFRS, which is net loss for the year/period:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(unaudited)	
Loss for the year/period	**(209,568)**	**(241,614)**	**(178,058)**	**(141,349)**	**(134,471)**
Add:					
Equity settled share-based payment expenses(1)	3,019	2,327	1,441	1,387	4,571
Changes in the carrying amount of the redemption liability(2)	89,949	116,489	126,166	93,530	100,655
Listing expenses	–	–	–	–	15,490
Adjusted net loss (non-IFRS measure)	**(116,600)**	**(122,798)**	**(50,451)**	**(46,432)**	**(13,755)**

Notes:

(1) Equity settled share-based payment expenses are non-cash in nature.

(2) Changes in the carrying amount of the redemption liability represents the changes in the carrying amount of the redeemable special rights that we granted to certain Pre-IPO Investors. Such changes are non-cash in nature. Upon completion of the Global Offering, the financial liabilities will be re-designated from liabilities to equity as a result of the termination of such redeemable special rights of the Pre-IPO Investors.

Revenue

Revenue Breakdown by Product and Service

During the Track Record Period, we generated revenue from (i) sales of our robots and systems, including (a) single-function robot deployment, referring to projects centered on the delivery and deployment of our expanding portfolio of proprietary robots, typically for further system integration; and (b) multi-function comprehensive systems, mainly referring to projects where we design and deploy solutions using multiple robots and components, both proprietary and non-proprietary, typically as integrated turn-key systems; and (ii) after-sales service and others, mainly representing a range of post-warranty service packages we offered to our customers that complement our sales of robots and systems. Scale of our projects exhibits considerable variation commensurate with the diverse operational demands of our customers. The following table sets forth a breakdown of our revenue by product and service in absolute amounts and as percentages of total revenue for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(unaudited)*			
Revenue from sales of robots and systems	628,831	95.7%	539,771	98.0%	702,752	97.4%	330,710	96.1%	541,223	98.1%
– Single-function robot deployment	*113,478*	*17.3%*	*78,858*	*14.3%*	*132,710*	*18.4%*	*110,547*	*32.1%*	*136,724*	*24.8%*
MSR deployment	99,474	87.7%	52,206	66.2%	102,422	77.2%	86,900	78.6%	94,069	68.8%
AMR deployment	7,119	6.3%	2,106	2.7%	4,328	3.3%	803	0.7%	17,873	13.1%
CSR deployment	6,848	6.0%	16,196	20.5%	19,105	14.4%	15,078	13.6%	20,493	15.0%
Others	37	0.0%	8,350	10.6%	6,855	5.1%	7,766	7.1%	4,289	3.1%
– Multi-function comprehensive systems	*515,353*	*78.4%*	*460,913*	*83.7%*	*570,042*	*79.0%*	*220,163*	*64.0%*	*404,499*	*73.3%*
Revenue from after-sales service and others	28,093	4.3%	11,019	2.0%	18,665	2.6%	13,506	3.9%	10,414	1.9%
Total	**656,924**	**100.0%**	**550,790**	**100.0%**	**721,417**	**100.0%**	**344,216**	**100.0%**	**551,637**	**100.0%**

Revenue from after-sales service and others typically fluctuates in line with our robots and systems sales. The decrease in revenue contribution from after-sales service and others from 2022 to 2023 primarily related to the phasing out of certain ancillary operations that occurred in 2022. The subsequent increase in 2024 was mainly attributable to an increasing proportion of after-sales service provided, as the increasing number of projects continuously generated new after-sales service opportunities. The decrease in the nine months ended September 30, 2025 as compared to the corresponding period in 2024 primarily reflected adjustments related to certain project contracts.

Our single-function robot deployment can be categorized by main robot types into MSR deployment, AMR deployment, CSR deployment, and others. Our self-developed MSRs (including bi-directional and four-directional shuttle vehicles) have consistently been the main revenue contributors to our single-function robot deployment. With the development and launch of our self-developed VFR products, our AMR deployment has been growing steadily since late 2023. Since multi-function comprehensive systems involve multiple types of robots providing multi-functional solutions, a breakdown of these systems by robot type is impracticable.

Revenue Breakdown by Geographic Location

Over the years, we have built a geographically diverse and extensive customer base. For more information, see "Business — Sales and Marketing." The following table sets forth a breakdown of our revenue by geographic location of customers for the years/periods indicated. Customer locations are based on where the products were delivered or the services were provided.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(unaudited)*			
Chinese Mainland	579,739	88.3%	514,314	93.4%	616,501	85.5%	320,955	93.2%	510,121	92.5%
Outside Chinese Mainland	77,185	11.7%	36,476	6.6%	104,916	14.5%	23,261	6.8%	41,516	7.5%
– South Korea	15,452	2.4%	4,576	0.8%	10,570	1.5%	8,748	2.5%	12,298	2.2%
– Israel	348	0.1%	15,575	2.8%	79,232	11.0%	1,000	0.3%	14,141	2.6%
– Taiwan, China	446	0.1%	120	0.0%	220	0.0%	220	0.1%	9,873	1.8%
– Hong Kong SAR, China	56,200	8.4%	–	–	–	–	–	–	17	0.0%
– Russia	4,589	0.7%	1,234	0.2%	14,268	1.9%	12,823	3.7%	584	0.1%
– Others	150	0.0%	14,971	2.8%	626	0.1%	470	0.2%	4,603	0.8%
Total	**656,924**	**100.0%**	**550,790**	**100.0%**	**721,417**	**100.0%**	**344,216**	**100.0%**	**551,637**	**100.0%**

Revenue Breakdown by Customer Type

Our customers include both enterprise customers and integrators. For more information, see "Business — Our Customers." The following table sets forth a breakdown of our revenue by customer type for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(Unaudited)*			
Revenue from sales of robots and systems	628,831	95.7%	539,771	98.0%	702,752	97.4%	330,710	96.1%	541,223	98.1%
– *Single-function robot deployment*	*113,478*	*17.3%*	*78,858*	*14.3%*	*132,710*	*18.4%*	*110,547*	*32.1%*	*136,724*	*24.8%*
Enterprise customers	29,475	26.0%	31,590	40.1%	44,345	33.4%	24,574	22.2%	40,490	29.6%
Integrators	84,003	74.0%	47,268	59.9%	88,365	66.6%	85,973	77.8%	96,234	70.4%
– *Multi-function comprehensive systems*	*515,353*	*78.4%*	*460,913*	*83.7%*	*570,042*	*79.0%*	*220,163*	*64.0%*	*404,499*	*73.3%*
Enterprise customers	461,306	89.5%	327,496	71.1%	454,570	79.7%	187,563	85.2%	336,582	83.2%
Integrators	54,047	10.5%	133,417	28.9%	115,472	20.3%	32,600	14.8%	67,917	16.8%
Revenue from after-sales service and others	28,093	4.3%	11,019	2.0%	18,665	2.6%	13,506	3.9%	10,414	1.9%
Total	**656,924**	**100.0%**	**550,790**	**100.0%**	**721,417**	**100.0%**	**344,216**	**100.0%**	**551,637**	**100.0%**

Enterprise customers who require complete end-to-end intralogistics solutions typically opt for multi-function comprehensive systems. However, they may choose single-function robot deployment when they possess strong in-house integration capabilities or need specific upgrades to their existing automated facilities. While our integrators typically focus on single-function robot deployment where they combine our robots with their expertise in specific industrial scenarios, they also procure our comprehensive systems when lacking specialized intralogistics expertise to ensure successful project delivery.

Revenue Breakdown by Industry Sector

The following table sets forth a breakdown of our revenue by industry sector for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(Unaudited)*			
New Energy	43,090	6.6%	147,723	26.8%	238,772	33.1%	129,507	37.6%	139,432	25.3%
Pharmaceutical Manufacturing and Distribution	54,438	8.3%	96,803	17.6%	107,683	14.9%	49,321	14.3%	108,024	19.6%
General Manufacturing	27,046	4.1%	5,991	1.1%	47,156	6.5%	14,210	4.1%	50,659	9.2%
Automotive Industry	148,229	22.6%	20,451	3.7%	41,965	5.8%	41,623	12.1%	52,982	9.6%
Food & Beverage	1,522	0.2%	118	0.0%	109	0.0%	50	0.0%	42,642	7.7%
Transportation Equipment Manufacturing	604	0.1%	27,407	5.0%	12,287	1.7%	1,903	0.6%	16,836	3.1%
3C	152,343	23.2%	120,766	21.9%	38,022	5.3%	22,483	6.5%	24,696	4.5%
Machinery Manufacturing	9,548	1.5%	58,198	10.6%	43,339	6.0%	43,236	12.6%	45,881	8.3%
Textile & Apparel	29,946	4.6%	237	0.0%	44,676	6.2%	13,386	3.9%	32,931	6.0%
Transportation & Logistics	154,728	23.6%	61,748	11.2%	118,566	16.4%	20,661	6.0%	8,530	1.5%
Mining & Non-ferrous Metals	112	0.0%	5,718	1.0%	112	0.0%	81	0.0%	225	0.0%
Others	35,318	5.2%	5,630	1.1%	28,730	4.1%	7,755	2.3%	28,799	5.2%
Total	**656,924**	**100.0%**	**550,790**	**100.0%**	**721,417**	**100.0%**	**344,216**	**100.0%**	**551,637**	**100.0%**

Cost of Sales

During the Track Record Period, our cost of sales consisted of (i) material costs representing the costs of components and equipment required for system integration and raw materials procured for the production of our intelligent intralogistics robots and systems; (ii) implementation costs representing costs incurred to deploy and implement our robots and systems for our customers; (iii) manufacturing costs, primarily consisting of production overhead costs, and depreciation of manufacturing equipment and facilities; (iv) direct labor costs, primarily representing salaries and benefits for production staff; and (v) others, primarily including inventory provisions and taxes and surcharges. The following table sets forth a breakdown of our cost of sales by nature in absolute amounts and as percentages of total revenue for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(unaudited)*			
Material costs	476,667	72.6%	377,024	68.5%	511,722	70.9%	229,699	66.7%	378,293	68.6%
Implementation costs	47,001	7.2%	58,536	10.6%	61,083	8.5%	35,122	10.2%	60,984	11.1%
Manufacturing costs	5,546	0.8%	6,916	1.3%	14,673	2.0%	8,641	2.5%	13,716	2.5%
Direct labor costs	3,147	0.5%	3,573	0.6%	8,915	1.3%	5,122	1.5%	9,581	1.7%
Others	21,135	3.2%	13,074	2.4%	11,462	1.6%	5,411	1.6%	(2,349)	(0.4)%*
Total	**553,496**	**84.3%**	**459,123**	**83.4%**	**607,855**	**84.3%**	**283,995**	**82.5%**	**460,225**	**83.5%**

* The negative cost of sales primarily reflected the reversal of inventory provisions that had been previously recognized and allocated to cost of sales, due to relevant inventory sold.

The following table sets forth a breakdown of our cost of sales by nature for our sales of robots and systems in absolute amounts and as percentages of each business segment's revenue for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(Unaudited)*			
Single-function Robot Deployment	*85,279*	*75.2%*	*54,218*	*68.8%*	*92,487*	*69.7%*	*79,547*	*72.0%*	*96,241*	*70.4%*
Material costs	72,913	64.3%	44,882	56.9%	75,285	56.7%	64,832	58.6%	73,194	53.5%
Implementation costs	6,135	5.4%	5,471	6.9%	10,641	8.0%	9,264	8.4%	16,378	12.0%
Manufacturing costs	1,719	1.5%	1,175	1.5%	2,430	1.8%	1,982	1.8%	2,711	2.0%
Direct labor costs	862	0.8%	817	1.0%	2,023	1.5%	1,732	1.6%	4,541	3.3%
Others	3,651	3.2%	1,872	2.4%	2,109	1.6%	1,737	1.6%	(583)	(0.4)%
Multi-function Comprehensive Systems	*444,758*	*86.3%*	*396,539*	*86.0%*	*508,744*	*89.2%*	*199,649*	*90.7%*	*355,539*	*87.9%*
Material costs	385,281	74.8%	326,668	70.9%	432,361	75.8%	162,282	73.7%	299,573	74.1%
Implementation costs	36,820	7.1%	50,508	11.0%	48,252	8.5%	23,914	10.9%	42,059	10.4%
Manufacturing costs	3,801	0.7%	5,713	1.2%	12,213	2.1%	6,631	3.0%	10,715	2.6%
Direct labor costs	2,276	0.4%	2,709	0.6%	6,860	1.2%	3,362	1.5%	4,915	1.2%
Others	16,580	3.2%	10,941	2.4%	9,057	1.6%	3,460	1.6%	(1,723)	(0.4)%

The following table sets forth a breakdown of our material costs by nature for our sales of robots and systems in absolute amounts and as percentages of our revenue from sales of robots and systems for the years/periods indicated:

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(Unaudited)*			
Purchased finished and semi-finished products	149,561	23.8%	94,503	17.5%	118,430	16.9%	31,159	9.4%	70,926	13.1%
Electrical components	80,055	12.7%	70,218	13.0%	94,164	13.4%	49,326	14.9%	66,513	12.3%
Racks and racking systems	82,770	13.2%	51,843	9.6%	75,005	10.7%	37,015	11.2%	68,628	12.7%
Mechanical standard parts	37,726	6.0%	54,684	10.1%	94,681	13.5%	48,298	14.6%	61,614	11.4%
Metal materials	28,875	4.6%	46,080	8.5%	60,792	8.7%	34,032	10.3%	39,581	7.3%
Auxiliary materials and others	79,208	12.6%	54,222	10.0%	64,574	9.2%	27,284	8.3%	65,507	12.1%
Subtotal	**458,195**	**72.9%**	**371,550**	**68.8%**	**507,646**	**72.2%**	**227,114**	**68.7%**	**372,769**	**68.9%**

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product and service for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000, except for percentages)									
							(unaudited)			
Sales of robots and systems	98,794	15.7%	89,014	16.5%	101,521	14.4%	51,514	15.6%	89,443	16.5%
– Single-function robot deployment	*28,199*	*24.8%*	*24,640*	*31.2%*	*40,223*	*30.3%*	*31,000*	*28.0%*	*40,483*	*29.6%*
MSR deployment	27,783	27.9%	14,529	27.8%	32,368	31.6%	27,354	31.5%	31,864	33.9%
AMR deployment	1,107	15.6%	219	10.4%	1,169	27.0%	334	41.6%	6,526	36.5%
CSR deployment	(595)	(8.7)%	3,547	21.9%	3,258	17.1%	964	6.4%	(257)	(1.3)%
Others	(96)	(259.5)%	6,345	76.0%	3,428	50.0%	2,348	30.2%	2,350	54.8%
– Multi-function comprehensive systems	*70,595*	*13.7%*	*64,374*	*14.0%*	*61,298*	*10.8%*	*20,514*	*9.3%*	*48,960*	*12.1%*
After-sales service and others	4,634	16.5%	2,653	24.1%	12,041	64.5%[1]	8,707	64.5%	1,969	18.9%
Total	**103,428**	**15.7%**	**91,667**	**16.6%**	**113,562**	**15.7%**	**60,221**	**17.5%**	**91,412**	**16.6%**

Note:

(1) The increase in gross profit margin was due to higher portion of segment revenue came from sales of our spare parts, which have higher selling price and margin than others such as sale of scrap materials, as the spare parts are customized for our products and cannot be sourced from other suppliers.

The following table sets forth a breakdown of our gross profit and gross profit margin by industry sector for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
								(Unaudited)		
New Energy	3,071	7.1%	4,580	3.1%	14,251	6.0%	8,329	6.4%	7,551	5.4%
Pharmaceutical Manufacturing and Distribution	8,174	15.0%	26,914	27.8%	17,168	15.9%	13,964	28.3%	13,650	12.6%
General Manufacturing	5,732	21.2%	(1,266)	(21.1)%	10,867	23.0%	6,696	47.1%	19,769	39.0%
Automotive Industry	26,833	18.1%	874	4.3%	6,430	15.3%	6,558	15.8%	12,049	22.7%
Food & Beverage	501	32.9%	48	40.6%	54	49.1%	30	60.4%	5,924	13.9%
Transportation Equipment Manufacturing	249	41.2%	7,101	25.9%	3,720	30.3%	1,163	61.1%	7,353	43.7%
3C	14,565	9.6%	23,124	19.1%	5,912	15.5%	3,760	16.7%	8,046	32.6%
Machinery Manufacturing	1,461	15.3%	17,507	30.1%	11,567	26.7%	11,722	27.1%	9,172	20.0%
Textile & Apparel	6,230	20.8%	(153)	(64.6)%	10,705	24.0%	4,729	35.3%	3,444	10.5%
Transportation & Logistics	25,935	16.8%	11,589	18.8%	30,980	26.1%	3,066	14.8%	(589)	(6.9)%
Mining & Non-ferrous Metals	46	41.6%	1,229	21.5%	70	62.6%	40	49.0%	118	52.4%
Others	10,631	30.1%	120	2.1%	1,838	6.4%	164	2.1%	4,925	17.1%
Total	**103,428**	**15.7%**	**91,667**	**16.6%**	**113,562**	**15.7%**	**60,221**	**17.5%**	**91,412**	**16.6%**

The gross profit margins of our projects varied significantly among different downstream industries during the Track Record Period, primarily due to differences in project complexity, customization requirements, procurement structure, and market competition. In addition, smaller and medium-sized projects generally entail lower complexity and shorter implementation cycles as compared to large-scale projects, which in turn contributes to relatively higher gross profit margins. For instance, in 2022, the projects in the food and beverage, transportation equipment manufacturing, and mining and non-ferrous metals industries recorded gross profit margins of approximately 30% to 40%, while those in the new energy and 3C industries recorded margins of approximately below 10%. The relatively lower margins in the new energy sector were primarily because 2022 marked our initial entry into this industry, during which we offered moderate pricing concessions on certain benchmark projects to establish our market presence and customer recognition. Similarly, projects in the 3C industry were generally large in scale and served leading industry customers, for which our Group also adopted a competitive pricing strategy to secure market entry.

During the Track Record Period, we recorded gross losses in certain sectors, including textile and apparel, as well as general manufacturing sectors, in 2023, and transportation and logistics for the nine months ended September 30, 2025. The losses in the transportation and logistics sector during the nine months ended September 30, 2025 reflected project-specific factors where certain clients requested service scope modifications after project initiation due to changes in their operational requirements. These modifications required us to perform additional work such as extended integration efforts, extra customization, or additional site visits which went beyond what was originally scoped and priced. In consideration of our ongoing relationships with these clients and potential future business, we accommodated these additional requirements without seeking full price adjustments, leading to gross losses on these specific projects. These factors were limited to specific projects and are not expected to have an ongoing impact on our overall profitability.

Our single-function robot deployment business generally achieves higher gross profit margins compared to multi-function comprehensive systems. This is primarily because single-function robot deployment mainly involves our proprietary robots with self-developed technologies, providing unique customer value while enabling better cost control through self-production. In contrast, multi-function comprehensive systems face higher procurement costs for third-party equipment and components required for system integration, as well as increased implementation costs associated with more complex system design and execution. The above is evidenced by general higher percentage of revenue of raw material costs and implementation costs of multi-function comprehensive systems.

During the Track Record Period, our robot solutions comprised both self-developed and externally sourced models. For MSR robots, our self-developed proportion was 93.9%, 99.3%, 95.9%, and 95.1% in 2022, 2023, 2024, and the nine months ended September 30, 2025, respectively. For AMR robots, our self-developed proportion was 48.9%, 64.2%, 46.8%, and 62.8% during the same periods. These include our VFRs, all of which were self-developed. Overall, we maintained a high self-development ratio of 96.0% for MSRs, while AMRs had a self-development ratio of 53.0%, with the remainder being externally sourced from our supply chain partners. The fluctuation in self-development ratios across different periods reflects our flexible approach to production based on project requirements, while maintaining an overall trend of increasing self-development capabilities.

The following table sets forth a breakdown of our gross profit and gross profit margin by customer type for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(Unaudited)*			
Enterprise customers	77,275	15.4%	70,053	19.0%	57,368	11.2%	30,977	13.9%	48,048	12.4%
Integrators	26,152	16.9%	21,614	11.9%	56,194	27.1%	29,244	24.2%	43,364	26.4%
Total	**103,428**	**15.7%**	**91,667**	**16.6%**	**113,562**	**15.7%**	**60,221**	**17.5%**	**91,412**	**16.6%**

The variation in gross profit margins across customer types largely depends on specific project requirements. Enterprise customers typically require more multi-function comprehensive systems, which generally have lower margins due to higher procurement costs for third-party equipment and increased implementation complexity. In contrast, integrators more frequently engage in single-function robot deployment projects utilizing our proprietary robots, which typically achieve higher margins due to our self-developed technologies and better cost control through self-production.

Other Income

During the Track Record Period, our other income primarily consisted of (i) government grants, mainly representing subsidies received from local governmental authorities to encourage our R&D activities; (ii) tax refund, which mainly comprised the software-related tax refunds under the immediate levy and refund policy; (iii) insurance claims payment; and (iv) others, mainly from contractual quality variance charges. The following table sets forth a breakdown of our other income for the years/periods indicated.

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(unaudited)	
Government grants	6,732	18,856	10,743	4,844	4,080
Tax refund and VAT credits	2,562	4,987	5,612	5,214	4,989
Insurance claims payment	850	5	65	–	–
Others	208	438	1,005	457	8
Total	**10,352**	**24,286**	**17,425**	**10,515**	**9,077**

Other Net (Loss)/Gain

During the Track Record Period, our other net (loss)/gain consisted of (i) net realized and unrealized gains from financial assets measured at amortized cost; (ii) net realized and unrealized gains from financial assets measured at fair value through profit or loss ("**FVTPL**"); (iii) net (loss)/gain on disposal of property, plant and equipment; (iv) net foreign exchange gain/(loss); (v) contractual liquidated damages from the early termination of lease contracts; and (vi) others, mainly representing incidental expenses and liabilities incurred during project execution. The following table sets forth a breakdown of our other net (loss)/gain for the years/periods indicated.

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(unaudited)	
Net realized and unrealized gains from financial assets measured at amortized cost	75	74	73	54	–
Net realized and unrealized gains from financial assets measured at FVTPL	378	539	1,740	1,412	997

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(unaudited)	
Net (loss)/gain on disposal of property, plant and equipment	(470)	(4,470)	(7)	(50)	(278)
Net foreign exchange gain/(loss)	392	2,273	(1,380)	(2,230)	710
Contractual liquidated damages from the early termination of lease contracts	(989)	(1,289)	–	–	–
Others	313	(1,207)	(316)	(54)	(529)
Total	**(301)**	**(4,080)**	**110**	**(868)**	**900**

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses consisted of (i) employee benefit expenses, primarily representing the salary and benefits for our sales and marketing personnel; (ii) business development and traveling expenses; (iii) warranty-related service expenses; (iv) advertising and promotion expenses; and (v) others, primarily related to rental expenses and depreciation and amortization of our property, plant and equipment and intangible assets used by our sales and marketing activities. The following table sets forth a breakdown of our selling and marketing expenses by nature in absolute amounts and as percentages of total selling and marketing expenses for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(unaudited)			
Employee benefit expenses	32,615	47.1%	29,636	46.5%	22,945	56.2%	17,904	59.9%	17,927	55.1%
Business development and traveling expenses	16,929	24.4%	19,737	31.0%	7,901	19.3%	5,330	17.8%	7,595	23.3%
Warranty-related service expenses	15,750	22.7%	9,185	14.4%	7,025	17.2%	4,715	15.8%	4,886	15.0%
Advertising and promotion expenses	1,968	2.8%	3,105	4.9%	1,272	3.1%	528	1.8%	786	2.4%
Equity-settled share-based payments	370	0.5%	346	0.5%	202	0.5%	273	0.9%	414	1.3%
Others	1,620	2.5%	1,750	2.7%	1,508	3.7%	1,156	3.8%	920	2.9%
Total	**69,252**	**100.0%**	**63,759**	**100.0%**	**40,853**	**100.0%**	**29,906**	**100.0%**	**32,528**	**100.0%**

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of (i) employee benefit expenses, primarily representing the salary and benefits for our administrative personnel; (ii) depreciation and amortization of our property, plant and equipment and intangible assets used by administrative personnel; (iii) rental expenses, primarily related to office premises, property management fees and utilities incurred by administrative personnel; (iv) professional service fees, primarily representing intermediary fees and consulting service fees in relation to our business operations; (v) conference and traveling expenses; (vi) office expenses, primarily related to procurement of office supplies and other consumable materials; (vii) listing expenses; and (viii) others, primarily representing other expenses associated with daily business operations and management activities. The following table sets forth a breakdown of our administrative expenses by nature in absolute amounts and as percentages of total administrative expenses for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(unaudited)*			
Employee benefit expenses	34,483	51.8%	40,053	51.3%	33,629	55.2%	24,789	58.0%	22,400	39.4%
Depreciation and amortization	6,849	10.3%	10,208	13.1%	8,801	14.4%	6,561	15.4%	5,290	9.3%
Rental expenses	7,708	11.6%	10,584	13.6%	6,537	10.7%	4,380	10.3%	4,454	7.8%
Professional service fees	7,370	11.1%	7,927	10.2%	6,073	10.0%	3,778	8.8%	3,470	6.1%
Conference and traveling expenses	2,620	3.9%	2,996	3.8%	2,197	3.6%	1,476	3.5%	1,564	2.7%
Office expenses	4,823	7.2%	3,087	4.0%	1,189	2.0%	613	1.4%	1,098	1.9%
Listing expenses	–	–	–	–	–	–	–	–	15,490	27.2%
Equity-settled share-based payments	1,252	1.9%	637	0.8%	276	0.5%	342	0.8%	2,003	3.5%
Others	1,514	2.2%	2,554	3.2%	2,222	3.6%	776	1.8%	1,137	2.1%
Total	**66,619**	**100.0%**	**78,046**	**100.0%**	**60,924**	**100.0%**	**42,715**	**100.0%**	**56,906**	**100.0%**

R&D Expenses

During the Track Record Period, our R&D expenses consisted of (i) employee benefit expenses, primarily representing the salary and benefits for our R&D personnel; (ii) traveling expenses relating to our R&D activities; (iii) depreciation and amortization of our property, plant and equipment and intangible assets used in R&D activities; (iv) R&D materials and consumables; (v) commissioned development and design expenses in relation to outsourced R&D activities to improve efficiency; and (vi) others, primarily representing other expenses associated with our daily R&D activities. The following table sets forth a breakdown of our R&D expenses by nature in absolute amounts and as percentages of total R&D expenses for the years/periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(unaudited)*			
Employee benefit expenses	60,965	64.5%	68,549	80.3%	50,165	80.9%	36,386	81.3%	36,899	76.7%
Traveling expenses	2,652	2.8%	5,181	6.1%	5,621	9.1%	3,636	8.1%	4,698	9.8%
Depreciation and amortization	1,336	1.4%	2,345	2.7%	2,572	4.1%	2,553	5.7%	1,605	3.3%

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)						*(unaudited)*			
R&D materials and consumables	18,744	19.8%	5,347	6.3%	1,443	2.3%	451	1.0%	1,150	2.4%
Equity-settled share-based payments	1,388	1.5%	1,345	1.6%	955	1.5%	767	1.7%	2,060	4.3%
Commissioned development and design expenses	9,034	9.6%	955	1.1%	–	–	–	–	–	–
Others	435	0.4%	1,642	1.9%	1,239	2.1%	961	2.2%	1,701	3.5%
Total	**94,554**	**100.0%**	**85,364**	**100.0%**	**61,995**	**100.0%**	**44,754**	**100.0%**	**48,113**	**100.0%**

Impairment Loss Recognized on Property, Plant and Equipment

During the Track Record Period, our impairment loss recognized on property, plant and equipment primarily related to our trial equipment. In 2023, we recorded impairment losses on property, plant and equipment of RMB7.1 million due to the full impairment of trial equipment related to certain R&D initiatives which we determined to suspend. We did not record such impairment losses in 2022, 2024 and the nine months ended September 30, 2024 and 2025. For details of our impairment policies, see Note 2 to the Accountants' Report set out in Appendix I to this prospectus.

Impairment Loss (Recognized)/Reversal on Trade Receivables and Contract Assets

During the Track Record Period, our impairment loss recognized on trade receivables and contract assets primarily represented the expected credit losses on our trade receivables and contract assets. For the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024, we incurred impairment loss recognized on trade receivables and contract assets of RMB6.4 million, RMB8.8 million, RMB22.3 million and RMB2.9 million, respectively. For the nine months ended September 30, 2025, we incurred impairment loss reversal on trade receivables and contract assets of RMB1.1 million. See also "— Description of Selected Items from the Consolidated Statements of Financial Position."

Net Finance Income

During the Track Record Period, our finance income primarily consisted of interest income, and our finance costs primarily consisted of (i) interest on bank loans; (ii) interest on lease liabilities; and (iii) other interest, representing interest on letters of credit. The following table sets forth a breakdown of our net finance income by nature in absolute amounts for the years/periods indicated.

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)	*(unaudited)*	
Interest on bank loans	(1,392)	(2,825)	(2,694)	(2,073)	(1,560)
Interest on lease liabilities	(1,466)	(1,978)	(452)	(388)	(215)

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(unaudited)	
Other interest	–	–	(303)	–	–
Finance costs	(2,858)	(4,803)	(3,449)	(2,461)	(1,775)
Less: interest expense capitalized into construction in progress	1,170	–	–	–	–
Interest income	6,092	11,097	7,675	6,021	3,533
Total	**4,404**	**6,294**	**4,226**	**3,560**	**1,758**

Income Tax

We recorded income tax of RMB0.6 million, RMB0.2 million, RMB1.1 million, RMB1.0 million and RMB0.6 million in 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise ("**HNTE**") is entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis. We and several of our subsidiaries in mainland China qualified as HNTEs, and consequently enjoyed a preferential income tax rate of 15% for the Track Record Period.

For the Hong Kong subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong profits tax for the Hong Kong subsidiary was calculated at the same basis for the Track Record Period.

During the Track Record Period and as of the Latest Practicable Date, we did not have any disputes or unresolved tax issues with the relevant tax authorities which may have a material adverse impact on our business, financial position and results of operations.

Loss for the Year/Period

As a result of the foregoing, for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, we had loss for the year/period of RMB209.6 million, RMB241.6 million, RMB178.1 million, RMB141.3 million and RMB134.5 million, respectively.

BUSINESS SUSTAINABILITY

We recorded a loss-making position primarily due to the following reasons:

- **Short-term project delays**. During the Track Record Period, our financial performance was affected by delay in major projects. In 2023, there were four major projects that experienced delays with revenues being pushed to future years. These projects were all in the lithium battery industry where, according to Frost & Sullivan, capital expenditure decreased by 46% year-over-year from RMB1,400 billion in 2022 to RMB750 billion in 2023. The broader industry slowdown led to these customers experiencing less client orders and their demand for production, which in turn delayed their construction work as well as validation process (such as the conduct of project efficiency validation or stability testing) which were required for their acceptance of our robots and systems. Our loss from operations increased from RMB123.4 million in 2022 to RMB131.2 million in 2023, while operating expenses remained relatively stable due to continued business expansion and overhead costs. Net loss increased from RMB209.6 million in 2022 to RMB241.6 million in 2023 mainly due to the operating performance resulting from project delays. Our adjusted net loss (non-IFRS measure) showed a smaller increase from RMB116.6 million in 2022 to RMB122.8 million in 2023. While project delays may occur from time to time in the normal course of business, we experienced fewer significant project delays from 2024 onwards. By 2024, as these and other projects progressed towards completion, our loss from operations improved significantly to RMB55.0 million. Our net loss decreased from RMB241.6 million in 2023 to RMB178.1 million in 2024, and the adjusted net loss (non-IFRS measure) showed an even more substantial improvement, decreasing from RMB122.8 million in 2023 to RMB50.5 million in 2024. As of September 30, 2025, the above-mentioned four delayed projects have all been fulfilled, with revenue being recognized in January 2024, September 2024, December 2024, and June 2025, respectively.

- **Significant investment for long-term success**. The intelligent intralogistics robotics market is characterized by rapid technological advancements, intense competition, and significant growth potential. For details of the markets in which we operate and the competition we face, see the section headed "Industry Overview" in this prospectus. To succeed, market players must invest heavily to build up a strong technological foundation and expertise in R&D, develop and establish its supply chain, attract and retain talent with the requisite technical expertise and accumulate a strong customer base and industry expertise for effective market expansion. Rather than prioritizing short-term economic returns, we have focused on establishing a solid foundation for sustainable growth.

  We have made substantial investments in developing our integrated technological capabilities and product portfolio. Our R&D initiatives have focused on advancing our core robotics capabilities to enhance warehouse automation efficiency. We have developed navigation systems that improve our robots' ability to operate safely in dynamic environments and implemented path planning algorithms that reduce our customers' operational costs, enabling us to develop improved robotic products to serve our customers' needs. In the period from 2022 to September 30, 2025, we invested a total of RMB93.9 million in developing integrated warehouse management and robot scheduling software. On the production front, we commenced establishing our in-house production infrastructure in 2022 with two major manufacturing facilities. Our Jiaxing facility, which focuses on MSR and AMR products and commenced operations in 2023, involved total investments of RMB88.7 million for land acquisition and facility construction, plus RMB13.6 million for equipment. Our Anhui facility, dedicated to CSR products which commenced operations in 2022, involved investments of RMB23.4 million for land acquisition and facility construction, with an additional RMB6.0 million for equipment. Our supply chain strategy has evolved as we built up our in-house production capabilities, enabling us to better control quality, adjust production volumes to meet demand, and optimize our manufacturing costs. This vertical integration has improved our deployment efficiency and response times to customer needs. To build our market presence, we have strategically increased our marketing investments, with exhibition participation representing our largest channel, supported by digital marketing, industry forums, and targeted promotional campaigns. Our marketing spend has evolved from traditional advertising to a multi-channel approach focused on demonstrating our technological capabilities to potential customer.

- **Operational optimization for scalable growth.** During the Track Record Period, we incurred substantial expenses related to operational initiatives to support scalable growth. Process standardization and organizational improvements across R&D, sales and marketing, and administrative functions are expected to drive efficiencies as we expand. Specifically:

  – *Selling and marketing expenses:* To establish and expand our geographic coverage, we incurred selling and marketing expenses of RMB69.3 million, RMB63.8 million, RMB40.9 million, RMB29.9 million and RMB32.5 million for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025. These expenses were directed toward growing our customer base, enhancing brand visibility, and driving adoption of our robots and systems in competitive global markets. The reduction in expenses over time reflected our targeted marketing campaigns and continuous refinement of our go-to-market strategies to generate better returns on our investments.

  – *Administrative expenses:* We incurred administrative expenses of RMB66.6 million, RMB78.0 million, RMB60.9 million, RMB42.7 million and RMB56.9 million for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, primarily attributed to employee benefits for administrative staff, depreciation of right-of-use assets and property, plant and equipment, and amortization of intangible assets. These costs reflect necessary investments in personnel, infrastructure, and systems to support our rapid expansion and operational scalability. The increase in the nine months ended September 30, 2025 compared to the same period in 2024 primarily reflected the increase in listing expenses in relation to the Global Offering.

  – *R&D expenses:* R&D is core to our business. We incurred R&D expenses of RMB94.6 million, RMB85.4 million, RMB62.0 million, RMB44.8 million and RMB48.1 million for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, mainly for employee salaries and investments in R&D materials. The decline in R&D expenses from 2022 to 2024 was mainly because several R&D projects progressed beyond the intensive development stages in 2022-2023, and moved into later-stage testing and incremental optimization, requiring fewer resources and lower ongoing expenditure. These included the development of our integrated box and pallet conveying solutions, covering conveying, transfer, alignment and lifting functions, as well as the development of semiconductor conveying solutions, including technologies such as cleanroom-compatible contactless power and precision wafer-box positioning. Fluctuation in R&D expenses during the Track Record Period reflected the progress and life-cycle of individual projects, rather than any change in our strategic focus on R&D. These investments were critical to maintaining our technological edge and leadership in the global intelligent intralogistics market. Our R&D initiatives are also determined based on our business development strategy, technological roadmap and specific customer project requirements. Our focus on continuous innovation ensures that we meet evolving customer needs and differentiate ourselves from competitors. We plan to optimize our R&D organizational structure to improve the quality of R&D output while maintaining R&D expenditure at a controllable level. Based on our 2025 unaudited preliminary financial information, our Group's R&D expenses in 2025 further increased by 18.8% to RMB73.7 million compared to RMB62.0 million in 2024. Approximately 24.5% of the net proceeds will be used over the next six years for advancing our core robotics product lines (such as enhancing our existing products and develop new products). Approximately 20.5% of the net proceeds will be used for R&D of our fundamental technologies, large model technology, robotics technology incorporating AI techniques, and related software systems, with the aim of strengthening its technological capabilities and enabling the delivery of more integrated intralogistics systems and products. We believe that continued investment in these areas will support its long-term technology roadmap and product pipeline and will contribute to sustained R&D expenditure growth in the foreseeable future.

Nonetheless, as our business has expanded, our operating expenses, consisting of selling and marketing expenses, administrative expenses and R&D expenses, as a percentage of total revenue have declined from approximately 35.1% in 2022 to 22.7% in 2024. In particular, our operating performance improved substantially, with loss from operation narrowing from RMB131.2 million in 2023 to RMB55.0 million in 2024. This significant improvement was driven by (i) our execution and recognition of revenue from our backlog projects, including those that had experienced delays from 2023, and from new projects secured and (ii) our implementation of operating cost optimization initiatives, including organizational restructuring and strategic resource optimization, which enhanced our operating leverage in 2024. This trend of improving efficiency continued into the interim periods, with the percentage further decreasing from 34.1% for the nine months ended September 30, 2024, to 24.9% for the same period in 2025. This improvement is particularly evident in our R&D function, where our past investments in building core competencies now enable us to maintain innovation momentum while optimizing resource allocation through greater utilization of in-house expertise. This maturity has also allowed us to refine our strategic focus areas, concentrating our efforts on the most promising technological directions.

This increasing operational efficiency is also reflected in our cash flow management. While net cash used in operating activities slightly increased from 2022 to 2023, it improved significantly in 2024, representing an 88.9% reduction from 2023. The substantial reduction in operating cash outflow in 2024 was primarily attributable to the completion of past projects, as well as improved working capital management. This positive trend continued into 2025, where our net operating cash outflow decreased significantly from RMB64.4 million to RMB35.3 million for the nine months ended September 30, 2024 and 2025, respectively. Achieving the full advantages of economies of scale is a gradual process, especially for a company like ours that operates in a dynamic and fast-evolving industry and requires significant upfront investment.

- **Impact from redemption liabilities**. Despite improved operating performance from revenue increase and cost and expenses optimization, our net loss remained high during the Track Record Period, mainly due to significant changes in carrying amount of redemption liability. We recorded RMB89.9 million, RMB116.5 million, RMB126.2 million, RMB93.5 million and RMB100.7 million in changes in the carrying amount of the redemption liability in the consolidated statements of profit or loss in 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. Changes in the carrying amount of the redemption liability arise from the changes in the carrying amount of the redeemable special rights that we granted to certain Pre-IPO Investors. These value changes are non-cash in nature. We expect all such redeemable special rights to be terminated upon Listing and the relevant redemption liabilities to be re-classified to equity. Our loss for the year narrowed from RMB209.6 million and RMB241.6 million in 2022 and 2023, to RMB178.1 million in 2024, and our adjusted net loss (non-IFRS measure), which adjusts for the impact from redemption liabilities among other non-cash and non-recurring items, decreased from RMB116.6 million and RMB122.8 million in 2022 and 2023, to RMB50.5 million in 2024. Loss for the period decreased from RMB141.3 million to RMB134.5 million for the nine months ended September 30, 2024 and 2025, respectively, and the adjusted net loss (non-IFRS measure) for the same periods decreased from RMB46.4 million to RMB13.8 million.

The profitability of companies in the intelligent intralogistics robotics industry depends on various factors, including their business strategies, the downstream industries they serve, the intensity of competition, and broader macroeconomic conditions. According to Frost & Sullivan, based on its assessment of comparable companies and current industry conditions, companies in the intelligent intralogistics robotics industry generally require at least five to seven years to achieve breakeven after commencing revenue generation. It is worth noting that a number of companies in the industry remain unprofitable beyond such period as they continue to invest in R&D, product innovation, and market expansion.

Our path to profitability extends beyond the typical industry timeline due to our strategic emphasis on building comprehensive technological capabilities and establishing a strong in-house production infrastructure for long-term sustainable success. Unlike companies that may outsource production or focus on narrow product segments, we have invested significantly in developing a full spectrum of robotic solutions while simultaneously building our own manufacturing facilities and refining our technologies to ensure product reliability and performance. This approach, while requiring more substantial upfront investments and a longer development cycle, positions us to capture greater value across the supply chain and maintain competitive advantages as the market matures. Additionally, during this phase of market expansion, we strategically adopted competitive pricing for certain strategically important industries and customer opportunities. This approach was aimed at establishing long-term relationships with high-quality customers and capturing strategic project opportunities during the Track Record Period. Such pricing was calibrated to meet specific customer requirements, balancing competitive positioning with our products' value proposition. While this pricing strategy, combined with our substantial infrastructure investment, impacted our financial performance during the Track Record Period, we believe it will be instrumental in building a loyal customer base and securing future growth opportunities. Certain products, including four-way shuttles and our self-developed VFR products, command premium positioning with pricing moderately above market averages. Rather than implementing broad price increases, we will optimize profitability through continued expansion of overseas operations, shortened delivery cycles, and supply chain improvements to reduce fulfillment costs. Our pricing adjustments are gradual and value-based, supported by strengthened customer relationships and differentiated product offerings, and are not anticipated to materially impact customer demand.

While we have incurred losses during our growth phase, we believe we are well-positioned to achieve profitability through a combination of the following initiatives.

Expanding Revenue Scale

Our revenue grew from RMB656.9 million in 2022 to RMB721.4 million in 2024. Furthermore, our revenue achieved significant growth from RMB344.2 million for the nine months ended September 30, 2024 to RMB551.6 million for the same period in 2025. We expect to keep such momentum through the following measures:

Capitalize on favorable market conditions

The global intralogistics market is experiencing transformative growth driven by increasing labor costs and rising demands for operational efficiency. Driven by increasing labor costs, rising operational complexity, and growing demand for efficiency, the global intelligent intralogistics market is projected to reach RMB522.8 billion in 2025, and RMB991.9 billion by 2030, growing at a CAGR of 13.7%, according to Frost & Sullivan. China is a major player in the intelligent intralogistics market, with its market size increasing from RMB96.0 billion in 2020 to RMB175.9 billion in 2024, representing a CAGR of 16.3%. By 2030, the market is expected to reach RMB413.7 billion, with a projected CAGR of 15.1% from 2025 to 2030. As an intelligent intralogistics robotics provider, we believe our comprehensive robots and systems portfolio, technology base and implementation experience will enable us to capture these significant market opportunities to continuously grow our market share and business scale.

Revenue from secured contracts

We expects to continue recognizing revenue from secured contracts on hand throughout future years. As of December 31, 2025, we have achieved an aggregate backlog value of robots and systems of approximately RMB2.2 billion. These contracts represent a diverse portfolio across multiple industries and regions, providing a stable foundation for our future operations. Additionally, the maintenance and service components built into these contracts will generate recurring revenue streams beyond the initial deployments. This secured order book allows for more efficient resource planning and cost management, supporting our path toward profitability.

Acquire new customers and expand industry coverage

In the nine months ended September 30, 2025, we acquired 94 new customers whose orders have resulted in recognized revenue. We aim to continue growing our customer base by leveraging our comprehensive product offerings and flexible delivery models. The modular and versatile architecture of our robotics solutions empowers customers to achieve significant operational efficiency gains, whether through targeted deployments of individual robots or fully integrated systems. This ability to deliver measurable results has attracted an increasingly diverse customer base across multiple industries. Moving forward, we plan to deepen our penetration in high-value industries and broaden our industry coverage:

- **Deepen Industry Penetration.** We aim to further enhance our market presence within industries where we have demonstrated strong capabilities, particularly in demanding industries such as pharmaceutical, 3C electronics, new energy and automotive sectors. This foundation, enhanced by our data analytics capabilities that synthesize insights from over 1,600 successful implementations, enables us to deliver increasingly sophisticated solution designs, strengthening our ability to serve a growing customer base within these sectors.

- **Strategic Industry Expansion.** Building on our established expertise across 29 diverse industries, we aim to strategically expand into adjacent sectors to serve new customer segments. Our broad range of robotics capabilities in core intralogistics functions, combined with our deep engagement with market leaders and ability to execute complex implementation scenarios, positions us strongly for targeted expansion. Leveraging our established expertise in automation solutions across manufacturing sectors, we currently intend to expand into three adjacent sectors: household electrical appliance manufacturing, tobacco products and chemical manufacturing, and airport-related operations. The 2024 estimated robotics and automation market size for these sectors amounted to RMB2 billion for appliance manufacturing, RMB2-3 billion for tobacco and chemical manufacturing, and RMB1 billion for airport operations. We have already demonstrated concrete progress in each sector, securing a project worth over RMB10 million in appliance manufacturing, a contract with a major state-owned petrochemical company exceeding RMB10 million, and an initial contract for an airport materials warehouse at a major domestic airport of approximately RMB10 million. Each sector has been selected based on clear technological synergies with our existing capabilities.

Strengthen relationships with existing customers

Our future growth relies heavily on our ability to maintain and strengthen relationships with our existing customers. We are building on our established customer base by targeting high-growth sectors where our technical capabilities and project experience create the strongest value proposition, particularly in 3C electronics and pharmaceutical industries. Our focus on key enterprise customers allows us to provide comprehensive solutions that address complex operational requirements across their various business areas. By prioritizing these relationships, we ensure our ability to scale with their expansion needs across new facilities and operational scenarios. Our comprehensive lifecycle management capabilities ensure maximum system value throughout our customers' growth journey, from initial project planning and solution design through operational support, while generating stable recurring revenue through our after-sales services. Our track record of successful deployments serves as a powerful channel for market expansion, as industry leaders increasingly recognize the demonstrated value of our solutions. We also leverage our extensive project experience to anticipate and meet evolving customer needs, creating opportunities for value-added services and expanded commercial relationships.

Product development and technology advancement

We continuously expand our robotics portfolio through technological advancement and deep industry insights. Our emphasis is on developing practical solutions that meet distinct customer needs. In August 2025, we expanded both our VFR-CL and VFR-CC series with additional models and launched the new VFR-CS series, featuring enhanced technical specifications including improved lifting height and load-bearing capabilities. This strategic focus on VFR development responds directly to growing market demand for next-generation fork-type robot solutions.

Our product development strategy also focuses on expanding our robotics portfolio to address specific market requirements across different regions. An example of this approach is our new VFR-CS series, starting with the CS1 model. This product was specifically engineered to handle closed-bottom pallets, the industry standard in Japan and South Korea. By developing products that directly address such market-specific requirements, we can now effectively serve these previously untapped markets and expand our revenue opportunities in key Asian regions. Our development roadmap continues to focus on both hardware and software improvements that deliver practical value to our customers while expanding our addressable market.

Accelerate global market development

Our market position continues to strengthen across both domestic and international markets, where our products have achieved market penetration across 19 countries and regions. In mainland China, which remains our core market contributing 85.5% of total revenue in 2024, we have significantly expanded our project portfolio from 246 projects in 2022 to 363 projects in 2024, demonstrating strong domestic market penetration. We have also demonstrated steady international growth, with revenue from outside Chinese mainland has demonstrated steady growth, increasing from RMB77.2 million in 2022 to RMB104.9 million in 2024, representing an increase in contribution from 11.7% to 14.5% of total revenue. Such revenue also increased from RMB23.3 million for the nine months ended September 30, 2024 to RMB41.5 million for the corresponding period in 2025.

Our international growth is further evidenced by our established track record of successful project delivery and growing network of local integration partners, as evidenced by our completed overseas integration projects increasing from 9 in 2022 to 17 in 2024. As of December 31, 2025, we had 46 ongoing overseas projects with an aggregate backlog of RMB685.0 million, including 35 ongoing overseas projects with integrators with an aggregate backlog of RMB571.8 million, providing a solid foundation for our continued international growth.

We plan to continue expanding our international presence and accelerate global market development. During the Track Record Period, we generated majority of our overseas revenue from South Korea and Israel, where we consistently generate annual orders exceeding RMB60 million through recurring orders.

- For market in which we already have business activities and market presence, specifically in the Asia-Pacific, Southeast Asia and Middle East, we will leverage our existing relationships to deepen market penetration. These regions offer strong market opportunities, with relatively low communication barriers, high acceptance of Chinese technology, and rapidly growing demand for robotics and automation solutions. We are strengthening our strategic partnerships with local integrators who provide critical market access and expertise in these regions. As of the Latest Practicable Date, we have established partnerships with two integrators in South Korea, one in Japan, and two in Israel.

  We are focused on deepening these existing partnerships through expanded project scope and increased technical collaboration. In the Asia-Pacific region, we intend to maintain our established position in South Korea while expanding into Japan through partnerships with local integrators. In Southeast Asia, we will continue to develop our presence in Singapore, Malaysia, Thailand, and Indonesia through our existing integrator partnerships. In the Middle East, building on our successful collaboration with an Israeli integrator, we plan to expand our business into the United Arab Emirates and Saudi Arabia, working with global integrators, including a major systems integrator with whom we have a global strategic partnership.

- We are also actively pursuing emerging business opportunities in new regions across the Americas, Europe and Australia. In South America, particularly Brazil, we seek to explore further opportunities, building on our project cooperation with a Chinese manufacturer. We are currently in advanced negotiations with this manufacturer regarding a multi-function comprehensive systems project in Brazil, which is intended to support the manufacturer's expansion in the region. The project involves the development of a central warehouse, serving as the core logistics hub responsible for the inbound and outbound handling, picking, and distribution of raw materials to several nearby production workshops. The potential contract value is expected to exceed RMB70 million. Following the bid win in June 2025, the project is planned for completion in 2026 with an estimated 180-day implementation timeline comprising equipment delivery, sea transportation, and initial installation and commissioning. While our market penetration in North America, selected European markets including Germany and Poland, and Australia is currently limited, we view these markets as important opportunities for future expansion as they are supported by existing projects, local operational presence or partnerships, and identifiable customer demand. In Europe, we have secured a project in Poland, which serves as a reference for broader European market development, and we maintain a subsidiary in Germany through which we have established cooperation with local system integrators and are advancing discussions with multinational enterprise customers. In North America, we have previously delivered projects and have ongoing discussion with enterprise customers, and we expect further order breakthroughs in the U.S. and Canada in the future. In Australia, we have appointed local agents who are actively pursuing multiple project opportunities, primarily in food-related logistics scenarios suitable for our products, and we expect initial project conversion in the near term. As we continue to grow and strengthen our global capabilities, we will evaluate and pursue opportunities in these markets when conditions are favorable.

In addition to these regional strategies, we are also deepening relationships with existing international clients through a focused cross-selling strategy. This has enabled us to progress from single-product implementations to multi-product engagements with key customers such as a leading Asian technology solutions provider, demonstrating the scalability of our solutions across different customer needs. Furthermore, we are strategically aligning with the global expansion of Chinese enterprises, particularly high-potential customers like a major electric vehicle manufacturer who are scaling their international operations. By deeply serving these customers' domestic operations and following their international expansion into global markets, we can leverage existing relationships to grow both domestically and internationally.

Improving Our Gross Margin

Our future profitability depends on our ability to improve our gross margin. Our gross profit margin amounted to 15.7%, 16.6%, 15.7%, 17.5% and 16.6% in 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025, respectively. We expect to achieve our gross margin improvement by implementing the following:

Product innovation for margin enhancement

To achieve profitability, we are committed to developing technologically advanced products built on our proprietary innovations. Our continuous introduction of improved robots and systems, backed by advanced technological capabilities and a solid intellectual property portfolio, represents core competitive advantages that create significant value for customers.

Our product development strategy focuses on enhancing core product competitiveness through targeted R&D initiatives. We are focusing on developing advanced sensing and detection capabilities that enable our robots to identify obstacles three dimensionally, including tilted or protruding pallets both at ground level and elevated positions within aisles. We will also improve our multi-sensor technology to enable more accurate, efficient and intelligent fork positioning adjustments to support more streamlined robot designs that reduce component costs. The continuous advancement of our VFR product lines demonstrates this strategy, as evidenced by our new CC6 model in the VFR-CC series, which features significant improvements in lifting height from 5.5 meters to 6.0 meters, along with advanced intelligent features such as pallet cargo side and top detection systems for comprehensive collision prevention. Our new VFR-CS series introduces specialized pallet handling capabilities and increased lifting heights, with an engineering approach that eliminates support legs while maintaining performance. This design eliminates the need for support legs and pallet brackets while enabling ground-level storage, which reduces overall system costs by eliminating the lowest beam level in conventional racking systems.

These performance enhancements position our products for higher-margin market segments while addressing more complex automation scenarios, particularly in the Japanese and South Korean markets where closed-bottom pallets are prevalent and warehouse specifications demand greater lifting heights. These markets' specialized technical requirements create higher barriers to entry, enabling premium pricing. The VFR series, with its advanced technological features and specialized capabilities, commands premium pricing in the market due to its enhanced performance metrics and ability to handle complex operational requirements. The enhanced capabilities contribute to gross profit margin improvement through multiple channels: more flexible pricing potential due to enhanced technical specifications, better production efficiency from accumulated experience and optimized design, lower component costs through improved supplier relationships and volume benefits, broader market applications leading to economies of scale, and higher value-add opportunities in more complex automation scenarios.

We have generally observed higher gross profit margins for our single-function robot deployment. The higher margins in our VFR product line reflect its technological sophistication and ability to address complex automation needs that traditional solutions cannot meet effectively. According to F&S, this margin profile is consistent with industry norms, where single-function robot deployment projects generally achieve higher gross profit margins than multi-function comprehensive systems projects primarily because deployment projects typically involve less customization and integration work, thereby reducing delivery costs. We expect single-function robot deployments to contribute an increasing proportion of our revenue given the increase in proportion of contractual amounts in our backlog attributable to single-function robot deployment as compared to that during the Track Record Period. In addition, focusing on a single type of robot allows for a more standardized production process, further improving efficiency and profitability.

Enhance supply chain management

We will continue to strengthen our supplier relationships, focusing on reducing procurement costs through strategic supply chain management. Building upon our established relationships with upstream component suppliers, we aim to secure more favorable terms and achieve greater cost efficiencies across the intelligent logistics value chain. Specific strategies include:

- Strategic purchasing: We are consolidating our supplier relationships and standardizing materials to enhance our purchasing power. Through this consolidation, we have reduced our supplier base from 717 to 595 across our facilities in Anhui and Jiaxing, enabling more standardized procurement processes and improved quality consistency. We have established annual framework agreements with 68 key suppliers, securing favorable pricing through volume commitments, shortened procurement cycles, and dedicated production capacity while reducing supply chain risks.

- Technical collaboration: We partner closely with suppliers on product design optimization and cost analysis, identifying opportunities to simplify manufacturing processes and optimize material selection while maintaining product quality. This collaborative approach has achieved cost reductions of 10% to 20% across certain material costs, driven by early supplier involvement in value engineering that eliminates non-standard specifications, reduces material waste through optimized tolerances, and adopts designs that align with suppliers' existing tooling and most efficient production capabilities.

Through enhanced collaboration, we will streamline procurement processes, optimize bulk purchasing opportunities, and support localized component sourcing for additional cost advantages. Our targeted initiatives in cost management of materials, implementation, manufacturing, and labor, combined with enhanced inventory management and procurement practices, will help maintain optimal stock levels while improving inventory efficiency. These supply chain optimization initiatives are expected to enhance operational efficiency and support sustainable margin expansion.

Business mix optimization

We are strategically evolving our business composition across products, services, and markets to enhance profitability and create sustainable value. Specifically, we plan to strengthen our gross profit margin through three key aspects: (i) gradually increasing the proportion of single-function robot deployments in our sales mix as opposed to multi-function comprehensive systems, as these deployments generally achieve higher margins due to lower third-party equipment costs, reduced implementation complexity, and minimal external labor requirements; and (ii) pursuing targeted expansion into overseas markets to diversify our revenue base and leverage our existing product portfolio and technological advantages for incremental margin contribution.

Enhancing Operation Leverage and Cost Management

We are accelerating improvements in our project management capabilities, with specific focus on reducing project execution cycles and streamlining customer validation processes. This includes implementing enhanced digital tools and workflows across our management processes to drive faster decision-making and project completion. We are actively managing our operating expenses, comprising R&D, administrative, and selling and marketing costs associated with the development, management, and promotion of our robots and systems, through several targeted initiatives. Specifically, we have seen a decline in R&D expenses from 2022 to 2024, mainly because several R&D projects progressed beyond the intensive development stages in 2022-2023, and moved into later-stage testing and incremental optimization, requiring fewer resources and lower ongoing expenditure. These included the development of our integrated box and pallet conveying solutions, covering conveying, transfer, alignment and lifting functions, as well as the development of semiconductor conveying solutions, including technologies such as cleanroom-compatible contactless power and precision wafer-box positioning. Fluctuation in R&D expenses during the Track Record Period reflected the progress and life-cycle of individual projects, rather than any change in our strategic focus on R&D, as evidenced by our allocation of proceeds from the Global Offering in R&D activities. Based on our 2025 unaudited preliminary financial information, our R&D expenses for the full year of 2025 increased further compared to 2024.

Our systematic approach to prioritizing R&D projects drives operational leverage by ensuring development resources are focused on commercially viable solutions. Our assessment of market potential leverages our deep experience accumulated from long-term service to end customers, encompassing both technical implementation details and precise insights into customer pain points. We aim to precisely identify market entry points for our products, and further build unique market positioning that differentiates us from peers, ensuring our R&D outcomes effectively match market demands and possess commercial value. This approach has been effective in enhancing our operating efficiency, as demonstrated by a reduction in average R&D cycle time from 18 months to 12 months.

We have implemented a lean organizational structure that maintains our core capabilities. Starting from 2024, we have streamlined our operations into three focused divisions: (i) front-office business units organized by region and industry to enable direct customer response, (ii) consolidated middle-office functions combining our product divisions (AMR, MSR, CSR, as well as software and electrical control), supply chain management (procurement, production, quality control and planning), and delivery operations (planning and design, project management, system implementation and after-sales), and (iii) centralized back-office shared services including finance, IT, HR and legal functions. In particular, we have focused on implementing several key organizational efficiency and performance initiatives:

- First, we have established a comprehensive talent management system that includes regular performance reviews and a systematic process to transition out approximately the bottom 5% of underperforming employees. This is supported by clearly defined qualification requirements and evaluation standards across all business divisions.

- Second, we have strengthened operational accountability by subdividing the Group into smaller accounting units. Each unit operates under strict budget management and performance assessment mechanisms, with clear input-output metrics. This granular approach enables optimized resource allocation aligned with strategic priorities while establishing quantitative performance benchmarks throughout the organization.

- Third, we are executing two major consolidation initiatives. At our Anhui and Shenzhen facilities, we have streamlined production-related workforce by approximately 40% through business unit consolidation and integrated production capabilities. Simultaneously, we have established centralized shared service centers for functions including legal, IT, and other support services, reducing middle- and back-office headcount by 35% through vertical management and resource sharing.

The above initiatives are further supported by Group-level management analyses and plans that enable regular performance reviews across all organizational units, facilitating timely coaching interventions and operational adjustments. We will continue to enhance these organizational systems and performance monitoring frameworks to meet changing market demands.

Our enhanced budget controls and resource allocation processes are driving more efficient spending, while accelerated digital transformation of management processes is reducing administrative overhead. For example, our digitized project tracking implemented in 2025 reduced the need for cross-functional status meetings as status information across project stages, from planning through shipping, can be tracked in the system, reducing project managers' weekly meeting time by at least 6 hours compared to 2024. Our OCR-enabled invoice processing system, which handles 13,000-15,000 annual expense claims , reduced processing time from claim approval to voucher entry by over one-third in 2025 compared to 2024 by eliminating manual data entry and account coding. Additionally, our integrated ERP system shortened the overall monthly financial close cycle from an average of 8 working days in 2024 to approximately 5 working days in 2025.

We have strengthened our procurement practices through several key initiatives: developing in-depth understanding of supplier cost structures and market conditions to enable data-driven negotiations; implementing annual framework agreements with key suppliers to secure volume-based pricing, achieving unit purchase cost reductions of approximately 8% in certain material categories such as by consolidating previously fragmented procurement into bulk orders backed by committed annual volume forecasts, which provide suppliers with demand certainty that allows them to optimize their own production planning and pass along economies of scale; introducing alternative qualified suppliers for critical components to ensure supply chain resilience while achieving unit procurement cost reduction from 30% to 50% in certain components such as batteries and motors, through competitive sourcing from domestic manufacturers, where lower labor costs, reduced logistics expenses, and streamlined specifications enable significantly lower pricing while maintaining quality standards; and continuously identifying emerging suppliers with technological or cost advantages. Our procurement team undergoes regular professional training in negotiation techniques and relevant financial and legal knowledge, enabling them to develop comprehensive negotiation strategies that focus on total cost of ownership and value-added services beyond pricing. These combined measures are designed to control costs while supporting our growth objectives. As our business continues to grow, we expect these initiatives to drive further operational efficiencies and structural cost savings. The combination of revenue growth and disciplined cost management should lead to improved operating leverage, with operating expenses as a percentage of revenue continuing to decrease as we scale.

Cash Flow Improvement and Liquidity Management

Since late 2023, we have been rigorously reviewing and strengthening our cash flow planning and management framework. Our comprehensive approach focuses on two key areas: receivables management and payable/inventory management. The initial enhancement measures in both of these areas were introduced at the beginning of 2024, and gradually implemented since 2024 and further enhanced in 2025. While many of these strategies have been in place, we have identified specific areas for improved execution based on implementation experience. Our refined approach incorporates these learnings through streamlined processes, building on successful elements while adjusting approaches that needed refinement. This experience-based fine-tuning, combined with more systematic monitoring, positions these strategies to deliver more consistent results in supporting our path to sustainable profitability:

- In receivables management, we introduced sales contract terms optimization in 2025, enhancing our pre-bid review process to secure more favorable payment conditions, including higher upfront payments, shorter payment cycles, and better-structured milestone payments. Leveraging our strong market position in four-way MSR and VFR products, where we maintain significant market share and customer recognition, we have successfully negotiated improved payment structures. These include increasing initial payments from our standard 30% to up to 50% for select projects, and restructuring milestone payments to accelerate cash collection. As a result of these efforts, the number of contracts with improved payment terms featuring initial payments of more than 30% increased from 17 in 2024 to 24 in 2025, representing an increase from 11.5% to 13.3% of all new projects for the respective year. Our enhanced collection processes strengthen monitoring of customers' financial status and enable proactive engagement during their management changes, including potential service suspension for long-overdue receivables. We have implemented receivable aging management with 90-day aging warnings and dedicated collection resources, supported by an internal incentive program that combines penalties for overdue collections with bonus rewards for early collections.

- Our payable and inventory management strategy focuses on payment terms optimization through negotiating more favorable terms with suppliers, securing extended payment periods and flexible arrangements that align with our cash flow cycle. Under our payment scheduling management, our procurement team operates within defined monthly payment limits, negotiating payment term extensions mostly from 30 to 60, or 90 days and establishing installment plans where appropriate. To enhance our inventory management, since October 2023, we have implemented a digital system that tracks component usage and generates automated procurement alerts based on predetermined safety stock levels. The system matches inventory with project requirements and helps optimize stock levels through analysis of historical consumption patterns, enabling us to maintain appropriate inventory aligned with our project pipeline. Through systematic analysis of historical consumption patterns, the system helps optimize our stock levels by identifying seasonal trends and project type-specific component requirements, allowing us to maintain appropriate inventory levels aligned with our project pipeline while minimizing excess stock. See also "Business — Logistics and Inventory Management — Inventory Management."

RESULTS OF OPERATIONS

Nine Months Ended September 30, 2025 Compared with Nine Months Ended September 30, 2024

Revenue

Our revenue increased by 60.3% from RMB344.2 million for the nine months ended September 30, 2024 to RMB551.6 million for the nine months ended September 30, 2025. Such growth was mainly attribute to the increased number of robots and systems projects fulfilled from 75 for the nine months ended September 30, 2024 to 110 for the corresponding period in 2025, as well as the larger scale of individual projects completed during this period. Notably, we completed more large-scale projects in the nine months ended September 30, 2025, with 19 projects generating individual revenue exceeding RMB10.0 million (compared to 12 such projects in the nine months ended September 30, 2024). The aggregate revenue from these large projects increased significantly from approximately RMB195.3 million to approximately RMB389.9 million, with average revenue per large project increasing from RMB16.3 million to RMB20.5 million. In terms of industry contribution, our revenue growth was driven by increased contributions from the food and beverage, pharmaceutical manufacturing and distribution, and general manufacturing sectors, which recorded increases in revenue of approximately RMB42.6 million, RMB58.7 million and RMB36.4 million, respectively, as compared with the same period in 2024.

Cost of Sales

Our cost of sales increased by 62.0% from RMB284.0 million for the nine months ended September 30, 2024 to RMB460.2 million for the nine months ended September 30, 2025, primarily reflecting an increase in materials costs and implementation costs, which is in line with the increase in the number of projects fulfilled.

Gross Profit and Gross Profit Margin

Our gross profit increased by 51.8% from RMB60.2 million for the nine months ended September 30, 2024 to RMB91.4 million for the nine months ended September 30, 2025. Meanwhile, our gross profit margin decreased slightly from 17.5% for the nine months ended September 30, 2024 to 16.6% for the nine months ended September 30, 2025, primarily due to the increased proportion of revenue contribution from our multi-function comprehensive systems, which generally had a lower gross profit margin. It also reflected the significantly lower contribution from after-sales services and others, the gross profit margin of which decreased from 64.5% for the nine months ended September 30, 2024 to 18.9% for the same period in 2025. Such decrease was mainly due to the losses from a one-off sale of inventory previously held to support after-sales maintenance services in Russia leading up to our Russian subsidiary disposal and the cancellation of a project under the “others” category where we provided software services, as the customer no longer required such services. Such decrease was partially offset by improved gross profit margins in our core business segments. In particular, the gross profit margin of multi-function comprehensive systems increased from 9.3% to 12.1%, while the gross profit margin of single-function robot deployment increased from 28.0% to 29.6%, which were mainly attributable to enhanced project execution efficiency and cost control.

Other Income

Our other income remained relatively stable at RMB10.5 million and RMB9.1 million for the nine months ended September 30, 2024 and 2025, respectively.

Other Net (Loss)/Gain

We recorded other net loss of RMB0.9 million for the nine months ended September 30, 2024 and other net gain of RMB0.9 million for the same period in 2025, primarily reflecting increase in foreign exchange gains, which increased by approximately RMB2.9 million during the nine months ended September 30, 2025 as compared with the same period in 2024, partially offset by decreases in investment income.

Selling and Marketing Expenses

Our selling and marketing expenses increased slightly from RMB29.9 million for the nine months ended September 30, 2024 to RMB32.5 million for the nine months ended September 30, 2025, primarily reflecting the increased business development and travel expenses associated with ongoing customer engagement and project bidding activities.

Administrative Expenses

Our administrative expenses increased by 33.2% from RMB42.7 million for the nine months ended September 30, 2024 to RMB56.9 million for the nine months ended September 30, 2025, primarily due to an increase in listing expenses in relation to the Global Offering.

R&D Expenses

Our R&D expenses increased slightly from RMB44.8 million for the nine months ended September 30, 2024 to RMB48.1 million for the nine months ended September 30, 2025, primarily reflecting higher employee-related expenses.

Impairment Loss (Recognized)/Reversal on Trade Receivables and Contract Assets

We recorded impairment loss reversal on trade receivables and contract assets of RMB1.1 million for the nine months ended September 30, 2025, as compared to impairment loss recognized on trade receivables and contract assets of RMB2.9 million for the nine months ended September 30, 2024.

Net Finance Income

Our net finance income decreased by 50.6% from RMB3.6 million for the nine months ended September 30, 2024 to RMB1.8 million for the nine months ended September 30, 2025, primarily due to lower interest income from time deposits and bank deposits as a result of a reduction in average principal balances and a decrease in applicable interest rates during the period.

Income Tax

Our income tax expenses decreased from RMB1.0 million for the nine months ended September 30, 2024 to RMB0.6 million for the nine months ended September 30, 2025, in line with our assessable taxable income for the period.

Loss for the Period

As a result of the foregoing, our loss for the period decreased from RMB141.3 million for the nine months ended September 30, 2024 to RMB134.5 million for the nine months ended September 30, 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 31.0% from RMB550.8 million for the year ended December 31, 2023 to RMB721.4 million for the year ended December 31, 2024, primarily driven by the increase of sales of our robots and systems. Specifically, revenue from sales of our single-function robot deployment increased from RMB78.9 million in 2023 to RMB132.7 million in 2024 and revenue from sales of our multi-function comprehensive systems increased from RMB460.9 million to RMB570.0 million over the same period. During the year, we fulfilled 123 projects related to our robots and systems compared to 106 in 2023, with a shift toward high-value and larger scale projects that reflects our enhanced solution design and implementation capabilities. The increase in revenue also reflected (i) our continuous product enhancement and technology upgrades enabling more effective addressing of comprehensive needs of customers; (ii) our efforts to improve our solution design and delivery expertise to bring customer better experience; (iii) implementation of more effective marketing and sales initiatives; and (iv) rapid growth in overseas market resulting from our proactive overseas expansion strategies and enhanced presence in overseas markets.

Cost of Sales

Our cost of sales increased by 32.4% from RMB459.1 million for the year ended December 31, 2023 to RMB607.9 million for the year ended December 31, 2024, primarily reflecting expanded operation scale, which was generally in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 23.9% from RMB91.7 million for the year ended December 31, 2023 to RMB113.6 million for the year ended December 31, 2024. Overall, our gross profit margin has experienced a slight decline from 16.6% for the year ended December 31, 2023 to 15.7% for the years ended December 31, 2024 primarily due to a decrease in gross profit margin of multi-function comprehensive systems as we strategically undertook certain lower-margin and technically complex projects in new energy industry. These projects were part of our long-term strategy to deepen market penetration, strengthen customer relationships, and enhance our brand equity, laying the foundation for future growth opportunities. Such decrease was slightly offset by an increase in gross profit margin of after-sales service and others, which benefited from enhanced project execution through standardized workflow and accumulated operational expertise.

Other Income

Our other income decreased by 28.3% from RMB24.3 million for the year ended December 31, 2023 to RMB17.4 million for the year ended December 31, 2024, mainly reflecting changes of government grants, which are non-recurring nature.

Other Net (Loss)/Gain

We recorded other net loss of RMB4.1 million for the year ended December 31, 2023 and other net gain of RMB0.1 million for the year ended December 31, 2024. Such changes were primarily attributable to a decrease of RMB4.5 million in losses from disposal of property, plant and equipment as we completed most of our production bases consolidation initiatives in 2023.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 35.9% from RMB63.8 million for the year ended December 31, 2023 to RMB40.9 million for the year ended December 31, 2024, attributable to (i) a decrease in business development expenses, reflecting our more targeted business development strategies and prudent budget management policy, and (ii) a decrease in employee benefit expenses as we streamlined the team.

Administrative Expenses

Our administrative expenses decreased by 21.9% from RMB78.0 million for the year ended December 31, 2023 to RMB60.9 million for the year ended December 31, 2024, primarily due to a decrease in employee benefit expenses and rental expenses following our organizational restructuring and workforce optimization of our administrative personnel amid our prudent cost management measures in the competitive environment.

R&D Expenses

Our R&D expenses decreased by 27.4% from RMB85.4 million for the year ended December 31, 2023 to RMB62.0 million for the year ended December 31, 2024, primarily due to a decrease in employee benefit expenses reflecting our strategic initiatives to improve R&D efficiency, as well as a decrease in R&D materials and consumables as certain research initiatives progressed to later stages.

Impairment Loss Recognized on Property, Plant and Equipment

We recorded impairment loss recognized on property, plant and equipment of RMB7.1 million for the year ended December 31, 2023 reflecting the full impairment of trial equipment relating to certain R&D initiatives that we determined to suspend. No such impairment loss was recorded in 2024.

Impairment Loss Recognized on Trade Receivables and Contract Assets

Our impairment loss recognized on trade receivables and contract assets increased from RMB8.8 million for the year ended December 31, 2023 to RMB22.3 million for the year ended December 31, 2024, primarily due to increase in trade receivables, as well as additional provisions made for aged receivables based on our assessment of collection risks. For details, see "— Description of Selected Items from the Consolidated Statements of Financial Position" in this section.

Net Finance Income

Our net finance income decreased by 32.9% from RMB6.3 million for the year ended December 31, 2023 to RMB4.2 million for the year ended December 31, 2024, primarily due to a decrease in interest income from RMB11.1 million in 2023 to RMB7.7 million in 2024 as a result of lower average cash balances and fluctuation of interest rate.

Income Tax

Our income tax expenses increased from RMB0.2 million for the year ended December 31, 2023 to RMB1.1 million for the year ended December 31, 2024, primarily due to higher taxable income resulting from improved operational performance.

Loss for the Year

As a result of the foregoing, our loss for the year decreased from RMB241.6 million for the year ended December 31, 2023 to RMB178.1 million for the year ended December 31, 2024.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Revenue

Our revenue decreased by 16.2% from RMB656.9 million for the year ended December 31, 2022 to RMB550.8 million for the year ended December 31, 2023, primarily reflecting a decrease in sale of robots and systems due to our customers' conservative capital expenditure decisions in response to challenging macroeconomic and industry conditions. In particular, the timing adjustments of four major lithium battery-related projects were attributable to customers' limited production capacity and the broader industry slowdown, as evidenced by a 46% year-over-year decrease in China's lithium battery industry capital expenditure from RMB1,400 billion in 2022 to RMB750 billion in 2023, according to Frost & Sullivan. This affected such customers' client orders and construction work, which in turn impeded the conduct of project efficiency validation or stability testing required for acceptance.

Cost of Sales

Our cost of sales decreased by 17.1% from RMB553.5 million for the year ended December 31, 2022 to RMB459.1 million for the year ended December 31, 2023, which was consistent with the overall scale of operations during the year.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 11.4% from RMB103.4 million for the year ended December 31, 2022 to RMB91.7 million for the year ended December 31, 2023. Despite lower gross profit, our gross profit margin improved from 15.7% in 2022 to 16.6% in 2023, primarily due to strengthened cost optimization initiatives in 2023. In particular, the gross profit margin for sales of our single-function robot deployment demonstrated an improvement increasing from 24.8% in 2022 to 31.2% in 2023, reflecting (i) our competitive product performance; (ii) enhanced brand recognition within target markets; and (iii) advanced solution design and implementation capabilities ensuring precise alignment with customers' requirements.

Other Income

Our other income increased significantly from RMB10.4 million for the year ended December 31, 2022 to RMB24.3 million for the year ended December 31, 2023, primarily driven by increased government grants, which were provided to encourage our R&D activities.

Other Net Loss

Our other net loss increased significantly from RMB0.3 million for the year ended December 31, 2022 to RMB4.1 million for the year ended December 31, 2023, primarily due to increased losses of RMB4.0 million from disposal of property, plant and equipment, primarily reflecting equipment-related losses resulting from business location optimization and production bases adjustment initiatives.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 7.9% from RMB69.3 million for the year ended December 31, 2022 to RMB63.8 million for the year ended December 31, 2023, primarily due to a decrease of RMB6.6 million in warranty-related service expenses which was attributable to enhanced reliability and stability of our robots and systems as our technology reached greater maturity, contributing to improved service efficiency.

Administrative Expenses

Our administrative expenses increased by 17.2% from RMB66.6 million for the year ended December 31, 2022 to RMB78.0 million for the year ended December 31, 2023, primarily due to an increase in employee benefit expenses, depreciation and amortization and rental expenses due to commencement of operations of certain subsidiaries.

R&D Expenses

Our R&D expenses decreased by 9.7% from RMB94.6 million for the year ended December 31, 2022 to RMB85.4 million for the year ended December 31, 2023, primarily due to a decrease in R&D materials and consumables following the completion of key R&D phases for certain product lines, and a decrease in commissioned development and design expenses through greater utilization of our in-house expertise.

Impairment Loss Recognized on Property, Plant and Equipment

We recorded impairment loss recognized on property, plant and equipment of RMB7.1 million for the year ended December 31, 2023 reflecting the full impairment of trial equipment relating to certain R&D initiatives that we determined to suspend. No such impairment loss was recorded in 2022.

Impairment Loss Recognized on Trade Receivables and Contract Assets

Our impairment loss recognized on trade receivables and contract assets increased by 36.6% from RMB6.4 million for the year ended December 31, 2022 to RMB8.8 million for the year ended December 31, 2023, primarily reflecting our assessment of collection risks arising from the extended collection cycles amid challenging market conditions that affected our customers' payment patterns. For details, see "— Description of Selected Items from the Consolidated Statements of Financial Position" in this section.

Net Finance Income

Our net finance income increased by 42.9% from RMB4.4 million for the year ended December 31, 2022 to RMB6.3 million for the year ended December 31, 2023, primarily due to an increase in interest income, reflecting enhanced cash management.

Income Tax

Our recorded income tax decreased from RMB0.6 million for the year ended December 31, 2022 to RMB0.2 million for the year ended December 31, 2023, in line with our assessable taxable income for the year.

Loss for the Year

As a result of the foregoing, our loss for the year increased from RMB209.6 million for the year ended December 31, 2022 to RMB241.6 million for the year ended December 31, 2023.

DESCRIPTION OF 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'000)			
Non-current assets				
Property, plant and equipment	117,177	125,147	115,207	108,595
Right-of-use assets	72,138	29,405	20,644	21,198
Intangible assets	8,881	7,814	9,585	7,928
Financial assets measured at amortized cost	3,487	3,453	–	–
Time deposits	253,496	134,574	21,208	30,364
Prepayments	4,880	60	188	78
Total non-current assets	**460,059**	**300,453**	**166,832**	**168,163**
Current assets				
Inventories	769,162	1,062,384	1,023,469	889,344
Trade and other receivables	365,784	313,725	299,747	379,406
Contract assets	62,290	98,041	93,013	89,095
Prepayments	32,844	85,159	34,661	50,321
Financial assets measured at amortized cost	–	–	3,419	–
Financial assets measured at FVTPL	20,916	–	46,189	49,124
Income tax recoverable	4,134	7,871	7,112	12,872
Time deposits	–	129,603	141,343	118,155
Restricted cash	22,246	47,775	79,342	74,093
Cash and cash equivalents	194,466	104,758	111,191	94,522
Total current assets	**1,471,842**	**1,849,316**	**1,839,486**	**1,756,932**
Total assets	**1,931,901**	**2,149,769**	**2,006,318**	**1,925,095**

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Non-current liabilities				
Bank loans	43,480	51,013	44,303	37,871
Lease liabilities	41,556	6,379	2,899	2,401
Deferred income	13,380	2,300	5,500	5,850
Total non-current liabilities	**98,416**	**59,692**	**52,702**	**46,122**
Current liabilities				
Trade and other payables	505,396	614,025	631,978	598,673
Contract liabilities	472,207	743,232	652,999	614,790
Bank loans	13,356	31,703	17,225	41,142
Lease liabilities	15,660	7,058	2,394	3,553
Redemption liabilities	1,456,113	1,572,602	1,698,768	1,799,423
Income tax payable	2,755	615	832	899
Provisions	13,339	14,478	15,179	16,392
Total current liabilities	**2,478,826**	**2,983,713**	**3,019,375**	**3,074,872**
Net current liabilities	**(1,006,984)**	**(1,134,397)**	**(1,179,889)**	**(1,317,940)**
Total assets less current liabilities	**(546,925)**	**(833,944)**	**(1,013,057)**	**(1,149,777)**
Total liabilities	**2,577,242**	**3,043,405**	**3,072,077**	**3,120,994**
Net liabilities	**(645,341)**	**(893,636)**	**(1,065,759)**	**(1,195,899)**

Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment primarily consisted of (i) plant and buildings, (ii) furniture, (iii) machinery and equipment, (iv) electronic equipment, (v) motor vehicles, and (vi) construction in progress. The changes in the carrying amount of our property, plant and equipment over time primarily reflect our management's strategic decisions regarding our production facilities, including both capacity expansion and facility optimization initiatives. As of December 31, 2022, 2023 and 2024 and September 30, 2025, our property, plant and equipment amounted to RMB117.2 million, RMB125.1 million, RMB115.2 million and RMB108.6 million, respectively.

Right-of-use Assets

During the Track Record Period, our right-of-use assets primarily consisted of (i) land use rights and (ii) plant and buildings. Our right-of-use assets decreased from RMB72.1 million as of December 31, 2022 to RMB29.4 million as of December 31, 2023, and further to RMB20.6 million as of December 31, 2024 and RMB21.2 million as of September 30, 2025, primarily due to the early termination of leases for certain office premises, and depreciation of existing leases.

Intangible Assets

During the Track Record Period, our intangible assets primarily consisted of software and patents. Throughout this period, changes in our intangible assets were generally driven by the procurement and amortization of our software and patents. As of December 31, 2022, 2023 and 2024 and September 30, 2025, our intangible assets amounted to RMB8.9 million, RMB7.8 million, RMB9.6 million and RMB7.9 million, respectively.

Impairment of Non-financial assets

As of December 31, 2022, 2023 and 2024 and September 30, 2025, we assessed whether there was any indication, based on internal or external sources of information, that our Group's non-financial assets, such as property, plant and equipment, right-of-use assets and intangible assets, may be impaired. Other than the specific trial equipment mentioned in "impairment Loss Recognized on Property, Plant and Equipment" in this section, we did not identify any indication of impairment for other non-financial assets during the Track Record Period, and no impairment was made for other non-financial assets.

Financial Assets Measured at Amortized Cost

During the Track Record Period, our financial assets measured at amortized cost represented the financial instruments we hold, which remained stable at RMB3.5 million, RMB3.5 million and RMB3.4 million in 2022, 2023 and 2024, respectively. We did not have financial assets measured at amortized cost as of September 30, 2025.

Time Deposits

During the Track Record Period, our time deposits represented our negotiable certificates of deposits and bank deposits that have a fixed term, including current time deposits with maturity over three months but within one year, and non-current time deposits with maturity over one year, which amounted to RMB253.5 million, RMB134.6 million, RMB21.2 million and RMB30.4 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

Prepayments

During the Track Record Period, our prepayments consisted of (i) prepayments for property, plant and equipment and intangible assets; (ii) prepayments for listing expenses; (iii) prepayments for inventories; and (iv) prepayments for expenses. The following table sets forth our prepayments as of the dates indicated.

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Non-current				
Prepayments for property, plant and equipment and intangible assets	4,880	60	188	78
Current				
Prepayments				
– Prepayments for listing expenses	–	–	–	1,581
– Prepayments for inventories	30,161	83,208	30,776	42,874
– Prepayments for expenses	2,683	1,951	3,885	5,866
Subtotal	32,844	85,159	34,661	50,321
Total	**37,724**	**85,219**	**34,849**	**50,399**

Our prepayments were RMB37.7 million, RMB85.2 million, RMB34.8 million and RMB50.4 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. The significant increase in 2023 was primarily due to advance payments required for major project-related inventory procurement. The subsequent decrease in 2024 was mainly due to decreased prepayment requirement imposed by suppliers. Our prepayments increased as of September 30, 2025, primarily reflecting certain project-related procurement and advance payments. The fluctuation in our prepayments were mainly attributable to the timing of procurement and project execution and are considered within the normal course of business.

Inventories

During the Track Record Period, our inventories consisted of (i) raw materials required for the production of our robots and systems, and (ii) finished goods and work in progress, which primarily consisted of our robots and other components and equipment used to provide our robots and systems. We record write-down of inventories when the estimated net realizable value is less than cost. In determining write-down of inventories, we consider factors such as, inventory aging, forecast product demands, historical pricing trends, anticipated market prices and estimated costs of completion and the estimated costs necessary to make the sale of our products. The following table sets forth the details of our inventories as of the dates indicated.

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Raw materials	74,519	74,430	62,555	63,192
Finished goods and work in progress	720,639	1,019,884	999,230	860,006
Less: write-down of inventories	(25,996)	(31,930)	(38,316)	(33,854)
Total	**769,162**	**1,062,384**	**1,023,469**	**889,344**

Our inventories increased from RMB769.2 million as of December 31, 2022 to RMB1,062.4 million as of December 31, 2023, primarily due to (i) increase in finished goods and work in progress attributable to commencement of new projects; and (ii) finished goods and work in progress attributable to 11 projects with longer implementation cycle, which remained as inventories prior to project acceptance. The inventory balance of the aforementioned projects with longer implementation cycle accounted for 21.3%, 27.5%, 21.4% and 20.1% of total inventories as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. The revenue recognized from these projects accounted for nil, nil 10.3% and 8.3% of the total revenue in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

Our inventories remained relatively stable at RMB1,023.5 million as of December 31, 2024. Our inventories decreased from RMB1,023.5 million as of December 31, 2024 to RMB889.3 million as of September 30, 2025, primarily due to an increase in the number of projects fulfilled. As of September 30, 2025 a substantial portion of our finished goods and work in progress consisted of project deliverables, which is aligned with our project-based business model and focus on providing intralogistics solutions based on customers' needs.

Furthermore, we generally implement a made-to-order production approach and produce our products and systems based on customer orders to manage our inventories. The typical stages in our business process include pre-sales planning and proposal, contract signing, implementation plan review, installation and implementation, material procurement and management, manufacturing, quality control, project acceptance, warranty period and after-sales services. See "Business — Our Business Process" for details. The delivery of raw materials and components generally requires seven days to two months depending on the specifications of the component or equipment required. The entire production process generally requires approximately three months, excluding the delivery time transporting them to the sites of customers and the final assembly. Following completion of manufacturing, the products and systems are subject to a series of project-specific procedures, including delivery, installation, debugging, testing and validation. The average length of time taken from delivery of raw materials and components to final project acceptance of the projects for which revenue was recognized during each year/period of the Track Record Period was approximately 347 days, 541 days, 524 days and 384 days in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively. During this period, prior to the final customer acceptance and revenue recognition, our products and systems remain recorded as inventories.

The following table sets forth our inventory turnover days for the years/period indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2022	2023	2024	2025
Inventory turnover days[1]	434	728	626	561

Note:

(1) Inventory turnover days are calculated by dividing the average of the opening and ending balance of inventories (net) for the relevant year/period by cost of sales for the relevant year/period and multiplying by the number of days in the relevant year/period, which is 365 days for each year and 270 days for the nine months ended September 30, 2025.

Our inventory turnover days increased from 434 days in 2022 to 728 days in 2023 primarily due to the slower fixed asset investment progress among certain customers and extended project completion timelines, which was attributed to the factors for the increase of inventories discussed above. Our inventory turnover days decreased from 728 days in 2023 to 626 days in 2024 and further decreased to 561 days for the nine months ended September 30, 2025, which primarily reflected the improvement in our project fulfilment schedules and our active inventory management efforts, enabling implementation of more precise, demand-driven procurement strategies that shortened the lead time for raw material sourcing. The decrease also reflected our reduced inventory balances and improved inventory turnover efficiency due to increased number of projects fulfilled.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31, 2022						
	Within 1 year	1 year to 2 years	2 years to 3 years	Over 3 years	Total	Less: write down of inventories	Carrying value
				(RMB'000)			
Raw materials	65,884	4,678	3,055	902	74,519	(9,618)	64,901
Finished goods and work in progress	598,555	116,473	4,373	1,238	720,639	(16,378)	704,261
	664,439	**121,151**	**7,428**	**2,140**	**795,158**	**(25,996)**	**769,162**

	As of December 31, 2023						
	Within 1 year	1 year to 2 years	2 years to 3 years	Over 3 years	Total	Less: write down of inventories	Carrying value
				(RMB'000)			
Raw materials.	54,014	17,422	1,632	1,362	74,430	(10,690)	63,740
Finished goods and work in progress . . .	706,142	254,612	56,783	2,347	1,019,884	(21,240)	998,644
	760,156	**272,034**	**58,415**	**3,709**	**1,094,314**	**(31,930)**	**1,062,384**

	As of December 31, 2024						
	Within 1 year	1 year to 2 years	2 years to 3 years	Over 3 years	Total	Less: write down of inventories	Carrying value
				(RMB'000)			
Raw materials.	24,528	21,622	12,760	3,645	62,555	(15,912)	46,643
Finished goods and work in progress . . .	578,435	278,455	127,234	15,106	999,230	(22,404)	976,826
	602,963	**300,077**	**139,994**	**18,751**	**1,061,785**	**(38,316)**	**1,023,469**

	As of September 30, 2025						
	Within 1 year	1 year to 2 years	2 years to 3 years	Over 3 years	Total	Less: write down of inventories	Carrying value
				(RMB'000)			
Raw materials.	27,690	10,233	15,178	10,091	63,192	(18,031)	45,161
Finished goods and work in progress . . .	418,398	254,025	123,213	64,370	860,006	(15,823)	844,183
	446,088	**264,258**	**138,391**	**74,461**	**923,198**	**(33,854)**	**889,344**

We closely track and monitor each stage of the warehousing process through our ERP (Enterprise Resource Planning) system, and implement strict inventory control policies to manage our inventory levels. To prevent future significant write-downs of inventories, we have implemented comprehensive inventory management measures to optimize our production-to-sales balance. These include systematic tracking and clearance of inventory through coordination between our production, R&D, procurement, and other operational teams, particularly for materials stored over six months. We also maintain strict assessment protocols for newly identified inventory to prevent accumulation across departments. These measures help us balance inventory control while ensuring timely project fulfilment. The write-down of inventories was RMB26.0 million, RMB31.9 million, RMB38.3 million and RMB33.9 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. These amounts primarily reflected our impairment provisions for certain long-aged raw materials and provisions for certain project engineering costs. The write-down of inventories recognized as an expense and charged to profit or loss amounted to RMB16.7 million, RMB5.9 million and RMB6.4 million for the years ended December 31, 2022, 2023 and 2024, respectively. For the nine months ended September 30, 2025, we recorded a reversal of inventory write-downs of RMB4.5 million, which primarily due to relevant impaired inventories sold during the period. See Note 18 to the Accountants' Report set out in Appendix I to this prospectus for details.

Considering that (i) the period from production completion to final customer acceptance is often extended due to the highly customized nature of our solutions and projects, as it typically involves on-site deployment, system integration, testing, and formal acceptance procedures, particularly for enterprise customers with complex warehouse environments, (ii) our inventories generally have no expiration date and (iii) the carrying amount of finished goods that were aged over one year but remained unsold was RMB399.3 million as of September 30, 2025, among which, RMB367.4 million had been delivered to customers' sites for ongoing projects as of that date. The remaining RMB31.9 million represents completed and assembled products pending delivery to project sites due to on-site construction progress, installation schedules, and site limitations. As of January 31, 2026, 52.2% of this pending inventory had been successfully delivered to project sites. The Directors confirm that these delivery timing factors do not affect the recoverability of these inventories because all such inventory is supported by existing sales orders pending delivery. Prior to the final project acceptance, receipt of all these finish goods were acknowledged by the customers upon delivery with delivery notice issued. During the Track Record Period, only less than 0.3% of the delivered goods were subsequently returned by the customers. Based on foregoing, our Directors are of the view that there is no recoverability issue for inventories and sufficient provision of inventories has been made based on prevailing industry practice and thorough evaluation of the current inventory situation. Our Directors believe the carrying amount of finished goods that were aged over one year but remained unsold, especially for those have not been delivered to customers' sites, is fully recoverable primarily due to (i) our made-to-order production model, under which all inventories are produced based on confirmed customer orders and customized to specific project requirements; and (ii) our ongoing close communication with customers, which allows us to monitor project progress in real time and continuously follow up on installation, debugging, and acceptance requirements.

As of January 31, 2026, RMB345.1 million, or 38.8%, of our inventories as of September 30, 2025, had been subsequently sold.

Trade and Other Receivables

Our trade and other receivables consisted of (i) bills receivables representing bank acceptance drafts relating to customer payments, (ii) trade receivables arising from our ordinary course of business, and (iii) other receivables mainly comprising deposits and tax-related items. The following table sets forth the details of our trade and other receivables as of the dates indicated.

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Trade and bills receivables				
Bills receivables	6,261	16,166	17,085	20,945
Trade receivables				
– Related parties	23,732	26,786	8,501	3,053
– Third parties	276,004	221,920	253,307	302,496
Gross amount of trade and bills receivables	**305,997**	**264,872**	**278,893**	**326,494**
Less: loss allowance	(8,975)	(15,899)	(35,909)	(34,568)
	297,022	**248,973**	**242,984**	**291,926**

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Other receivables				
Bank acceptance notes receivable, carried at FVOCI	31,706	3,578	1,600	12,176
Pledge and guarantee deposits	22,315	32,555	26,686	27,552
Value added tax recoverable and receivables	11,541	26,731	26,554	43,988
Other receivables	3,200	1,888	1,923	3,764
	68,762	**64,752**	**56,763**	**87,480**
Total	**365,784**	**313,725**	**299,747**	**379,406**

Our trade and bills receivables decreased by 16.2% from RMB297.0 million as of December 31, 2022 to RMB249.0 million as of December 31, 2023, primarily due to a decrease of RMB54.1 million in amounts due from third parties, which was in line with the overall revenue decline that year. Our trade and bills receivables remained relatively stable at RMB243.0 million as of December 31, 2024 and further increased to RMB291.9 million as of September 30, 2025, primarily due to higher trade receivables from third parties, consistent with our overall revenue growth, as well as the transfer of matured contract assets to receivables during the period.

Our other receivables remained relatively stable at RMB68.8 million as of December 31, 2022 and RMB64.8 million as of December 31, 2023, and decreased by 12.3% to RMB56.8 million as of December 31, 2024, primarily due to a decrease in pledge and guarantee deposits. Our other receivables increased by 54.1% from RMB56.8 million as of December 31, 2024 to RMB87.5 million as of September 30, 2025, primarily due to an increase of value added tax recoverable and receivables.

The following table sets forth an aging analysis of our trade and bills receivables presented based on the date of revenue recognition and net of loss allowance as of the dates indicated.

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Within one year	193,495	129,451	182,324	234,956
Between one year and two years	64,051	77,947	14,983	36,200
Between two years and three years	32,328	26,337	36,591	16,003
Between three years and four years	7,148	15,238	9,086	4,767
Total	**297,022**	**248,973**	**242,984**	**291,926**

As of December 31, 2022, 2023 and 2024 and September 30, 2025, our trade and bills receivables aged over one year amounted to RMB103.5 million, RMB119.5 million, RMB60.7 million and RMB57.0 million, representing approximately 34.9%, 48.0%, 25.0% and 19.5% of our total trade and bills receivables, respectively. These long outstanding balances of our trade and bills receivables were primarily associated with long-term cooperative customers with whom we have established strong customer relationships. We typically offer extended payment terms to customers with strong credit histories and reputation. These arrangements support key customer relationships and align with their business needs. Certain prolonged settlement had resulted from our customers' delays due to factors such as cash flow pressures, project delays due to accumulated customer demands, and external events that were not within our customers' control, such as the COVID-19 pandemic. A total of seven, two, five and five customers experienced such delays in 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, representing approximately 20.0%, 9.2%, 12.4% and 5.5% of our total trade and bills receivables at the end of each corresponding period. As of September 30, 2025, the aggregate outstanding amounts due from these customers was RMB15.9 million, which our Directors believe are recoverable primarily due to (i) our long-standing and stable business relationships with these customers; (ii) the financial condition of these customers, as demonstrated by their stable operating performance and reputable market positions in their respective industries; (iii) these customers' satisfactory payment histories, with consistent track records of eventually settling all outstanding amounts despite timing delays; and (iv) the fact that these delays were not due to disputes or credit deterioration, but rather attributable to project-specific timing issues and their internal payment processing cycles, which is supported by their continued active communication regarding payment schedules.

We continuously strengthen our cash flow management, placing strong emphasis on maintaining healthy cash flow and minimizing credit risk. To that end, we take a proactive approach to collections, with relevant departments regularly monitoring the receivables and engaging with customers through multiple channels to remind them of upcoming payments. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any difficulties in collecting overdue trade receivables from customers. According to Frost & Sullivan, the settlement pattern is in line with the industry norm, reflecting the focus on maintaining long-term client relationships and managing large order fulfillment.

The following table sets forth our trade and bills receivables turnover days for the years/period indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2022	**2023**	**2024**	**2025**
Trade and bills receivables turnover days[(1)]	162	181	124	131

Note:

(1) Trade and bills receivables turnover days are calculated by dividing the average of the opening balance and ending balance of trade and bills receivables (net) for the relevant year/period by the total revenue for the relevant year/period and multiplying by the number of days in the relevant year/period, which is 365 days for each year and 270 days for the nine months ended September 30, 2025.

Our trade and bills receivables turnover days increased from 162 days for the year ended December 31, 2022 to 181 days for the year ended December 31, 2023, primarily attributed to the greater difficulties in collections amid challenging macroeconomic conditions, and decreased to 124 days for the year ended December 31, 2024, which was in line with our intensified efforts to accelerate receivables recovery during the year. Our trade and bills receivables turnover days remained relatively stable at 124 days for the year ended December 31, 2024 and 131 days for the nine months ended September 30, 2025. Accordingly, our trade and bills receivables turnover days during the Track Record Period were longer than the typical standard credit terms agreed with customers.

Our relatively extended trade receivables turnover days and inventory days, compared to our trade payables turnover days, reflect the timing of our project cycles and milestone payments in light of our project-based business model. See "Risk Factors — Risks Relating to our Financial Prospects — We may be exposed to liquidity risks as a result of a long cash conversion cycle." Our projects follow industry-standard tiered milestone payments, with substantial portions received as advance payments and upon delivery milestones. To optimize our working capital cycle, we have implemented a three-pronged approach to collections management, requiring close collaboration between our planning, sales, and delivery teams. Our delivery team promptly notifies the sales team at payment milestones, who then coordinates with clients and handles documentation. Monthly accounts receivable meetings ensure systematic tracking of collection progress. We have further enhanced our cash flow efficiency by optimizing payment methods, including negotiating extended supplier payment terms, aligning equipment payments with collection milestones, and utilizing bank acceptance bills to better leverage our banking facilities. These measures, combined with strict expense controls and annual funding budgets with monthly cash planning, are expected to enable a balanced cash flow structure that supports both project execution and daily operations, despite the rolling nature of multiple concurrent projects.

As of January 31, 2026, RMB87.2 million, or 29.9%, of our trade and bills receivables as of September 30, 2025, had been subsequently settled.

We have established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. Besides, We measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix. Based on a review of our customer profiles and cooperative relationships with customers, the assessment of the likelihood of collection, and taking into account the subsequent settlement of our trade and bills receivables, our Directors are of the view that there is no material recoverability issue for our trade and bills receivables. See Note 31 to the Accountants' Report set out in Appendix I to this prospectus for details.

Contract Assets

Our contract assets primarily consisted of amounts receivable for the provision of our warranty service. Our contract assets increased by 57.4% from RMB62.3 million as of December 31, 2022 to RMB98.0 million as of December 31, 2023 and remained relatively stable at RMB93.0 million and RMB89.1 million as of December 31, 2024 and September 30, 2025, respectively, reflecting our accumulation of projects with ongoing warranty periods.

As of January 31, 2026, approximately RMB12.9 million, or 14.5%, of our contract assets as of September 30, 2025 were subsequently certified.

The following table sets forth the number of turnover days based on the aggregate amount of our contract assets and trade and bills receivables for the years/period indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2022	2023	2024	2025
Contract assets and trade and bills receivables turnover days[(1)]	183	234	173	177

Note:

(1) Contract assets and trade and bills receivables turnover days are calculated by dividing the average of the opening balance and ending balance of contract assets and trade and bills receivables (net) for the relevant year/period by the total revenue for the relevant year/period and multiplying by the number of days in the relevant year/period, which is 365 days for each year and 270 days for the nine months ended September 30, 2025.

Financial Assets Measured at FVTPL

During the Track Record Period, our financial assets measured at FVTPL represented investments in wealth management products issued by reputable financial institutions in mainland China. There are no fixed or determinable returns of these wealth management products. As of December 31, 2022, 2023 and 2024 and September 30, 2025, our financial assets measured at FVTPL were RMB20.9 million, nil, RMB46.2 million and RMB49.1 million, respectively, reflecting our cash management policy.

To monitor and control the investment risks associated with our financial assets measured at FVTPL portfolio, we have adopted a comprehensive set of internal policies and procedures to manage our investment in financial assets measured at FVTPL. Our investment strategies mainly include: (i) we minimize financial risks by matching the maturities of the portfolio with anticipated operating cash needs, while aiming to generate reasonable investment returns for the benefits of our Shareholders; (ii) investment in high-risk products is not allowed; (iii) the proposed investment must not interfere with our business operations or capital expenditures; and (iv) the financial products we invest in should be issued by a reputable financial institution. In practice, we generally limit our purchases to low-risk and short-term products which are redeemable on demand from reputable commercial banks.

Our finance department is responsible for proposing, analyzing and evaluating potential investment in financial products and led by our financial manager with requisite expertise and experience for this purpose. Investment proposals are subject to review and approval by our person-in-charge of finance.

After Listing, we intend to continue our investments in the financial assets measured at FVTPL strictly in accordance with our internal policies and measures and the requirements under Chapter 14 of the Listing Rules.

Restricted Cash

During the Track Record Period, our restricted cash primarily represented guarantee deposits and acceptance draft margins. Our restricted cash increased from RMB22.2 million as of December 31, 2022 to RMB47.8 million as of December 31, 2023, further to RMB79.3 million as of December 31, 2024 and remained relatively stable at RMB74.1 million as of September 30, 2025, which primarily reflected our strategic shift from cash payments to an increased adoption of bank acceptance drafts.

Trade and Other Payables

Our trade and other payables primarily consisted of (i) trade payables arising from our ordinary course of business, (ii) bills payable for purchases and operating activities, (iii) other payables and accruals, (iv) accrued payroll and other benefits, and (v) other taxes and charges payable in relation to value-added taxes and related surcharges. The following table sets forth the details of our trade and other payables as of the dates indicated.

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Total trade and bills payables				
Trade payables				
– Third parties	408,439	475,227	450,791	398,693
– Related parties	3,767	3,485	2,391	2,152

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Bills payable	23,948	67,447	126,081	156,018
	436,154	**546,159**	**579,263**	**556,863**
Other payables				
Other payables and accruals				
– Third parties	6,771	9,458	5,156	4,444
– Amounts due to related party	–	5,987	–	–
Listing expense payable	–	–	–	7,436
Accrued payroll and other benefits	25,979	18,393	20,806	18,571
Other taxes and charges payable	36,492	34,028	26,753	11,359
	69,242	**67,866**	**52,715**	**41,810**
Total	**505,396**	**614,025**	**631,978**	**598,673**

Our trade and bills payables increased from RMB436.2 million as of December 31, 2022 to RMB546.2 million as of December 31, 2023 and further to RMB579.3 million as of December 31, 2024, primarily due to increased procurement to support our expanding operations and longer payment terms negotiated with suppliers. Our trade and bills payables decreased to RMB556.9 million as of September 30, 2025, primarily reflecting payments to suppliers and the settlement of matured bills.

Our other payables remained relatively stable at RMB69.2 million as of December 31, 2022 and RMB67.9 million as of December 31, 2023, and decreased to RMB52.7 million as of December 31, 2024, primarily due to the settlement of acquisition-related equity transfer payment, as well as lower tax payables corresponding to decrease of contract liabilities. Our other payables decreased by 20.7% from RMB52.7 million as of December 31, 2024 to RMB41.8 million as of September 30, 2025, primarily due to the payment of other taxes and charges payable, partially offset by the listing expenses payable. During the Track Record Period, we recorded amounts due to related party of RMB6.0 million in 2023, which represented the equity payment for the transfer of non-controlling interests. The amounts due to related party had been settled in 2024.

The following table sets forth an aging analysis of our trade and bills payables presented based on the invoice date as of the dates indicated.

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(RMB'000)			
Within one year	346,595	445,759	421,395	445,287
Between one year and two years	77,651	64,329	107,106	67,615
Between two years and three years	8,986	26,620	32,312	28,324
Over three years	2,922	9,451	18,450	15,637
Total	**436,154**	**546,159**	**579,263**	**556,863**

The following table sets forth our trade and bills payables turnover days for the years/period indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2022	2023	2024	2025
Trade and bills payables turnover days(1)	242	390	338	333

Note:

(1) Trade and bills payables turnover days are calculated by dividing the average of the opening balance and ending balance of trade and bills payables for the relevant year/period by the total cost of sales for the relevant year/period and multiplying by the number of days in the relevant year/period, which is 365 days for each year and 270 days for the nine months ended September 30, 2025.

Our trade and bills payables turnover days increased from 242 days for the year ended December 31, 2022 to 390 days for the year ended December 31, 2023, primarily due to ongoing project engagements and enhanced capital planning which included stricter payment controls. In 2023, we centralized our procurement management and strengthened supplier negotiations to secure more favorable payment terms. Moreover, our capital planning efforts improved alignment between income and outcomes, featuring a rigorous approval process for procurement payments that linked the acceptance of large equipment suppliers to overall project quality, which further lengthened our trade and bills payables turnover days. Our trade and bills payables turnover days decreased to 338 days and 333 days days in 2024 and for the nine months ended September 30, 2025, respectively, which was attributable to our revenue growth which supported our cash flow management. Our trade and bills payables turnover days are longer than the typical credit terms primarily because our Company generally agrees with the suppliers on back-to-back payment arrangements, under which payments to suppliers are made after receipt of payments from downstream customers. As the payment cycles of customers vary across projects, this results in a relatively longer turnover period for trade and bills payables.

As of January 31, 2026, RMB292.1 million, or 52.5%, of our trade and bills payables as of September 30, 2025, had been subsequently settled.

Contract Liabilities

Our contract liabilities primarily represent advance payments received from customers based on project implementation progress. Our contract liabilities increased from RMB472.2 million as of December 31, 2022 to RMB743.2 million as of December 31, 2023 due to (i) an increase in prepayments for new projects, and (ii) the extended project timeline of certain major projects due to customer-side factors including requirement changes, project site readiness and site relocations, resulting in temporary holds on project progress and related revenue recognition. Our contract liabilities decreased to RMB653.0 million as of December 31, 2024 and further to RMB614.8 million as of September 30, 2025 due to increased revenue recognition upon project fulfillment.

As of January 31, 2026, RMB246.3 million, or 40.1%, of our contract liabilities as of September 30, 2025, had been subsequently recognized as revenue.

Lease Liabilities

During the Track Record Period, we leased properties for our manufacturing and research and development activities and our office premises. Our lease liabilities decreased from RMB57.2 million as of December 31, 2022 to RMB13.4 million as of December 31, 2023 and further decreased to RMB5.3 million as of December 31, 2024, primarily due to lease early termination for certain production plants and the payment of lease liabilities. Our lease liabilities increased from RMB5.3 million as of December 31, 2024 to RMB6.0 million as of September 30, 2025, primarily due to lease renewals and addition of new leases for operational facilities during the period.

Redemption Liabilities

Our redemption liabilities arise from the special rights granted to certain Pre-IPO Investors. We expect such special rights to be terminated upon Listing and the relevant redemption liabilities to be re-classified to equity. Our redemption liabilities increased from RMB1,456.1 million as of December 31, 2022 to RMB1,572.6 million as of December 31, 2023, and further increased to RMB1,698.8 million as of December 31, 2024 and RMB1,799.4 million as of September 30, 2025, primarily due to incrementally accumulated principal and interest amounts over time.

Provisions

During the Track Record Period, our provisions primarily represented warranty provisions. Under the terms of our sales agreements, we offer warranties for our projects. Provision is made based on our estimated of expected claims, which takes into account our recent claim experience, under these agreements in respect of sales prior to the end of each year during the Track Record Period. Our provisions increased from RMB13.3 million as of December 31, 2022 to RMB14.5 million as of December 31, 2023, and further increased to RMB15.2 million as of December 31, 2024, primarily reflecting our conservative approach to future warranty claims to be incurred relative to actual claims incurred. Our provisions increased from RMB15.2 million as of December 31, 2024 to RMB16.4 million as of September 30, 2025, primarily due to the increase in the number of projects that remained within their free warranty periods, during which maintenance costs may be incurred, as well as the corresponding warranty provisions recognized in respect of such projects.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash during the Track Record Period were to fund our purchase of raw materials, construction of our manufacturing facilities, research, development and manufacturing of our products, as well as other working capital needs. During the Track Record Period, we financed our operations and other capital requirements primarily through sales of our robots and systems, capital contributions from equity holders and bank borrowings. Our anticipated cash needs primarily include costs associated with the research and development of our products, the expansion of our sales network and construction of our manufacturing facilities.

We expect to fund our future working capital and other cash requirements with cash generated from our operations, the net proceeds from the Global Offering and, when necessary, bank and other borrowings. As of January 31, 2026, the latest practicable date for determining our indebtedness, we had cash and cash equivalents of RMB115.8 million and unutilized committed banking facilities in an aggregate amount of RMB111.8 million.

Net Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of September 30,	As of January 31,
	2022	2023	2024	2025	2026
			(RMB'000)		*(Unaudited)*
Current assets					
Inventories	769,162	1,062,384	1,023,469	889,344	732,395
Trade and other receivables	365,784	313,725	299,747	379,406	387,165
Contract assets	62,290	98,041	93,013	89,095	118,806
Prepayments	32,844	85,159	34,661	50,321	44,751
Financial assets measured at amortized cost	–	–	3,419	–	–

	As of December 31,			As of September 30,	As of January 31,
	2022	2023	2024	2025	2026
			(RMB'000)		(Unaudited)
Financial assets measured at FVTPL	20,916	–	46,189	49,124	32,445
Income tax recoverable	4,134	7,871	7,112	12,872	13,040
Time deposits	–	129,603	141,343	118,155	27,584
Restricted cash	22,246	47,775	79,342	74,093	52,744
Cash and cash equivalents	194,466	104,758	111,191	94,522	115,751
	1,471,842	**1,849,316**	**1,839,486**	**1,756,932**	**1,524,681**
Current liabilities					
Trade and other payables	505,396	614,025	631,978	598,673	561,221
Contract liabilities	472,207	743,232	652,999	614,790	461,121
Bank loans	13,356	31,703	17,225	41,142	31,522
Lease liabilities	15,660	7,058	2,394	3,553	3,236
Redemption liabilities	1,456,113	1,572,602	1,698,768	1,799,423	1,846,702
Income tax payable	2,755	615	832	899	636
Provisions	13,339	14,478	15,179	16,392	16,065
	2,478,826	**2,983,713**	**3,019,375**	**3,074,872**	**2,920,503**
Net current liabilities	**(1,006,984)**	**(1,134,397)**	**(1,179,889)**	**(1,317,940)**	**(1,395,822)**

We recorded net liabilities of RMB645.3 million, RMB893.6 million, RMB1,065.8 million and RMB1,195.9 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. The increases in our net liabilities during the Track Record Period were primarily attributable to loss from operations of 2023 and 2024 and the nine months ended September 30, 2025 of RMB131.2 million, RMB55.0 million and RMB35.0 million and changes in the carrying amount of the redemption liability of RMB116.5 million, RMB126.2 million and RMB100.7 million, partially offset by equity settled share-based payment expenses of RMB2.3 million, RMB1.4 million and RMB4.6 million in 2023 and 2024 and the nine months ended September 30, 2025, respectively. As of December 31, 2022, 2023 and 2024 and September 30, 2025, we recorded net current liabilities of approximately RMB1,007.0 million, RMB1,134.4 million, RMB1,179.9 million and RMB1,317.9 million, respectively. Our net current liabilities during the Track Record Period were primarily due to our redemption liabilities, which amounted to approximately RMB1,456.1 million, RMB1,572.6 million, RMB1,698.8 million and RMB1,799.4 million as of the same dates, respectively, as a result of changes in our redemption obligations arising from the special rights granted to certain Pre-IPO Investors. We expect that we would be able to turn our net liabilities position into a net asset position when such special rights are terminated upon the Listing.

In future, we believe that our net current liabilities position will improve with net cash inflows generated from operating activities with the growth of our business. We have implemented multiple measures to improve our net current liabilities position and maintain sufficient working capital through: (i) accelerating accounts receivable turnover by optimizing project cycles, strengthening full-cycle management of receivables, conducting regular aging analyses and implementing a specialized collection mechanism for overdue accounts. This includes offering early payments incentives and employing credit management procedures to prevent defaults; (ii) optimizing inventory turnover by effectively managing the inventory of self-produced products to avoid long-aging raw materials and excess stock. This involves adjusting stocking strategies based on timely sales forecasts and market conditions, closely monitoring inventory aging in warehouses, and reinforcing accountability for newly-aged stock; and (iii) establishing a dedicated task force to identify the reasons underlying prolonged project delivery and drive targeted improvements. We have utilized information technology to record and monitor projects with unusual delivery delays, promptly resolving related issues to continuously enhance the overall supply chain delivery process and shorten delivery cycles.

Our net current liabilities increased from RMB1,007.0 million as of December 31, 2022 to RMB1,134.4 million as of December 31, 2023, as a result of an increase of RMB504.9 million in our current liabilities, offset by an increase of RMB377.5 million in our current assets. The increase of our current liabilities was primarily due to (i) an increase of RMB271.0 million in contract liabilities due to prepayments from new project commencement and extended project timelines; (ii) an increase of RMB116.5 million in redemption liabilities primarily because of the increased redemption value of the shares with special rights due to the passage of time; and (iii) an increase of RMB108.6 million in trade and other payables due to increased procurement to support our expanding operations and longer payment terms negotiated with suppliers. The increase of our current assets was primarily due to (i) an increase of RMB293.2 million in inventories due to prolonged project deployment schedule for certain major lithium battery related projects within the new energy industry which experienced industry slowdown in 2023 that contributed to these customers' limited production capacity, which encumbered and delayed their validation process; (ii) an increase of RMB129.6 million in time deposits primarily because of newly acquired short-term deposits and maturing certificates; and (iii) an increase of RMB52.3 million in prepayments due to advance payments required for major project-related inventory procurement, partially offset by (i) a decrease of RMB89.7 million in cash and cash equivalents; and (ii) a decrease of RMB52.1 million in trade and other receivables due to accelerated collection processes and shorter payment cycles.

Our net current liabilities increased from RMB1,134.4 million as of December 31, 2023 to RMB1,179.9 million as of December 31, 2024, as a result of an increase of RMB35.7 million in our current liabilities and a decrease of RMB9.8 million in our current assets. The increase of our current liabilities was primarily due to an increase of RMB126.2 million in redemption liabilities primarily because of the increased redemption value of the shares with special rights due to the passage of time, partially offset by a decrease of RMB90.2 million in contract liabilities primarily due to our order fulfillment cycle. The decrease of our current assets was primarily due to (i) a decrease of RMB50.5 million in prepayments reflecting decreased prepayment requirement imposed by suppliers; and (ii) a decrease of RMB38.9 million in inventories, partially offset by an increase of RMB31.6 million in restricted cash reflecting our shift towards bank acceptance drafts over cash payments.

Our net current liabilities increased from RMB1,179.9 million as of December 31, 2024 to RMB1,317.9 million as of September 30, 2025, as a result of an increase of RMB55.5 million in our current liabilities and a decrease of RMB82.6 million in our current assets. The increase of our current liabilities was primarily due to an increase of RMB100.7 million in redemption liabilities primarily because of the increased redemption value of the shares with special rights due to the passage of time, partially offset by a decrease of RMB38.2 million in contract liabilities and a decrease of RMB33.3 million in trade and other payables. The decrease of our current assets was primarily due to a decrease of RMB134.1 million in inventories, partially offset by an increase of RMB79.7 million in trade and other receivables.

Our net current liabilities remained stable at RMB1,395.8 million as of January 31, 2026.

Cash Flows

The following table sets forth the components of our consolidated statement of cash flows for the years/periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
			(RMB'000)		
Net cash used in operating activities	(94,261)	(96,984)	(10,811)	(64,409)	(35,288)
Net cash (used in)/generated from investing activities	(112,388)	1,948	54,878	85,402	6,084
Net cash generated from/(used in) financing activities	331,849	3,982	(36,601)	(41,679)	12,035
Net increase/(decrease) in cash and cash equivalents	125,200	(91,054)	7,466	(20,686)	(17,169)
Cash and cash equivalents at January 1	68,878	194,466	104,758	104,758	111,191
Effect of foreign exchange rate changes	388	1,346	(1,033)	(2,179)	500
Cash and cash equivalents at December 31/September 30	**194,466**	**104,758**	**111,191**	**81,893**	**94,522**

Operating Activities

For the nine months ended September 30, 2025, we had net cash used in operating activities of RMB35.3 million, which was primarily attributable to our loss before taxation of RMB133.9 million adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included a decrease in inventories of RMB138.6 million and changes in the carrying amount of the redemption liability of RMB100.7 million; and (ii) negative adjustments, which primarily included an increase in trade and other receivables of RMB78.3 million, a decrease of RMB38.2 million in contract liabilities and a decrease in trade and other payables of RMB32.2 million.

For the year ended December 31, 2024, we had net cash used in operating activities of RMB10.8 million, which was primarily attributable to our loss before taxation of RMB176.9 million adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included changes in the carrying amount of the redemption liability of RMB126.2 million, a decrease of RMB50.5 million in prepayments, a decrease of RMB32.5 million in inventories, an increase of RMB32.0 million in trade and other payables and impairment loss on trade receivables and contract assets of RMB22.3 million, and (ii) negative adjustments, which primarily included a decrease of RMB90.2 million in contract liabilities, and an increase of RMB31.6 million in restricted cash.

For the year ended December 31, 2023, we had net cash used in operating activities of RMB97.0 million, which was primarily attributable to our loss before taxation of RMB241.4 million adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included an increase of RMB271.0 million in contract liabilities, changes in the carrying amount of the redemption liability of RMB116.5 million, an increase of RMB95.2 million in trade and other payables, and a decrease of RMB45.1 million in trade and other receivables, and

(ii) negative adjustments, which primarily included an increase of RMB299.2 million in inventories, an increase of RMB52.3 million in prepayments, an increase of RMB37.6 million in contract assets, and an increase of RMB25.5 million in restricted cash.

For the year ended December 31, 2022, we had net cash used in operating activities of RMB94.3 million, which was primarily attributable to our loss before taxation of RMB208.9 million adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily included an increase of RMB187.6 million in contract liabilities, an increase of RMB139.7 million in trade and other payables, changes in the carrying amount of the redemption liability of RMB89.9 million, and a decrease of RMB25.5 million in prepayments, and (ii) negative adjustments, which primarily included an increase of RMB238.2 million in inventories, an increase of RMB70.2 million in trade and other receivables, and an increase of RMB48.5 million in contract assets.

Investing Activities

For the nine months ended September 30, 2025, our net cash generated from investing activities was RMB6.1 million, primarily attributable to (i) the proceeds from disposal of wealth management products of RMB171.4 million and (ii) the proceeds from disposal of time deposits with maturity over three months of RMB101.8 million, partially offset by (i) the payment for purchase of wealth management products of RMB183.3 million, and (ii) the payment for purchase of time deposits with maturity over three months of RMB85.2 million.

For the year ended December 31, 2024, our net cash generated from investing activities was RMB54.9 million, primarily attributable to (i) the proceeds from disposal of time deposits with maturity over three months of RMB139.7 million, and (ii) the proceeds from disposal of wealth management products of RMB113.5 million, partially offset by the payment for purchase of wealth management products of RMB157.8 million.

For the year ended December 31, 2023, our net cash generated from investing activities was RMB1.9 million, primarily attributable to (i) the proceeds from disposal of wealth management products of RMB116.6 million, and (ii) the proceeds from disposal of time deposits with maturity over three months of RMB100.4 million, partially offset by (i) the payment for purchase of time deposits with maturity over three months of RMB103.0 million, and (ii) the payment for purchase of wealth management products of RMB95.0 million.

For the year ended December 31, 2022, our net cash used in investing activities was RMB112.4 million, primarily attributable to (i) the payment for purchase of time deposits with maturity over three months of RMB190.0 million, (ii) the payment for purchase of wealth management products of RMB154.2 million, and (iii) the payment for purchase of property, plant and equipment and intangible assets of RMB105.8 million, partially offset by (i) the proceeds from disposal of time deposits with maturity over three months of RMB175.7 million, and (ii) the proceeds from disposal of wealth management products of RMB162.5 million.

Financing Activities

For the nine months ended September 30, 2025, we had net cash generated from financing activities of RMB12.0 million, which was primarily attributable to the proceeds from bank loans of RMB26.0 million, partially offset by the repayment of bank loans of RMB8.5 million.

For the year ended December 31, 2024, we had net cash used in financing activities of RMB36.6 million, primarily attributable to the repayment of bank loans of RMB31.7 million, partially offset by the proceeds from bank loans of RMB10.5 million.

For the year ended December 31, 2023, we had net cash generated from financing activities of RMB4.0 million, primarily attributable to (i) the payment of capital element of lease liabilities of RMB14.1 million, and (ii) the repayment of bank loans of RMB13.9 million, partially offset by the proceeds from bank loans of RMB39.7 million.

For the year ended December 31, 2022, we had net cash generated from financing activities of RMB331.8 million, primarily attributable to (i) the proceeds from shares issued of RMB278.2 million, (ii) the proceeds from bank loans of RMB56.8 million, and (iii) the capital injection from non-controlling shareholders of RMB9.0 million, partially offset by the payment of capital element of lease liabilities of RMB9.3 million.

Working Capital Sufficiency

Our Directors are of the opinion that, taking into account the financial resources available to us, including cash and cash equivalents on hand, future cash flows from operating activities, available bank facilities and the estimated net proceeds from the Global Offering, we have sufficient working capital for our current requirements and for the next 12 months from the date of this prospectus. Our Directors confirm that we had no material defaults on trade and non-trade payables and borrowings, nor did we breach any covenants during the Track Record Period and up to the date of this prospectus.

INDEBTEDNESS

As of December 31, 2022, 2023 and 2024, September 30, 2025 and January 31, 2026, being the most recent practicable date for determining our indebtedness, except as disclosed in the table below, we did not have any material indebtedness.

	As of December 31,			As of September 30,	As of January 31,
	2022	2023	2024	2025	2026
			(RMB'000)		
					(unaudited)
Current					
Bank loans	13,356	31,703	17,225	41,142	31,522
Lease liabilities	15,660	7,058	2,394	3,553	3,236
Redemption liabilities	1,456,113	1,572,602	1,698,768	1,799,423	1,846,702
Subtotal	**1,485,129**	**1,611,363**	**1,718,387**	**1,844,118**	**1,881,460**
Non-current					
Bank loans	43,480	51,013	44,303	37,871	36,780
Lease liabilities	41,556	6,379	2,899	2,401	1,490
Subtotal	**85,036**	**57,392**	**47,202**	**40,272**	**38,270**
Total	**1,570,165**	**1,668,755**	**1,765,589**	**1,884,390**	**1,919,730**

Bank Loans

As of December 31, 2022, 2023 and 2024, September 30, 2025 and January 31, 2026, we had bank loans of RMB56.8 million, RMB82.7 million, RMB61.5 million, RMB79.0 million and RMB68.3 million, respectively. Our bank loans were primarily used for supporting our working capital requirements during our daily operations. The following table sets forth the details of our interest-bearing bank borrowings as of the dates indicated.

	As of December 31,			As of September 30,	As of January 31,
	2022	2023	2024	2025	2026
			(RMB'000)		(unaudited)
Current	13,356	31,703	17,225	41,142	31,522
Non-current	43,480	51,013	44,303	37,871	36,780
Total	**56,836**	**82,716**	**61,528**	**79,013**	**68,302**
Secured	56,836	59,698	51,019	48,498	44,636
Unsecured	–	23,018	10,509	30,515	23,666
Total	**56,836**	**82,716**	**61,528**	**79,013**	**68,302**

Our bank loans bear interest ranging from 3.85% to 4.60% per annum, 2.80% to 4.30% per annum, 2.60% to 4.20% per annum and 2.50% to 3.60% per annum as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively, of which RMB56.8 million, RMB59.7 million, RMB51.0 million and RMB48.5 million were secured by our property, plant and equipment and land use right. See Note 23 of the Accountants' Report set out in the Appendix I to this prospectus.

Our Directors confirm that we did not experience any difficulty in obtaining bank loans, default in payment of bank loans or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

As of December 31, 2022, 2023 and 2024, September 30, 2025 and January 31, 2026, our lease liabilities amounted to RMB57.2 million, RMB13.4 million, RMB5.3 million, RMB6.0 million and RMB4.7 million, respectively. For details, see "— Description of Selected Items from the Consolidated Statements of Financial Position — Lease Liabilities."

Redemption Liabilities

As of December 31, 2022, 2023 and 2024, September 30, 2025 and January 31, 2026, our redemption liabilities amounted to RMB1,456.1 million, RMB1,572.6 million, RMB1,698.8 million, RMB1,799.4 million and RMB1,846.7 million, respectively. For details, see "— Description of Selected Items from the Consolidated Statements of Financial Position – Redemption Liabilities."

Save as disclosed above in respect of redemption liabilities, as of the Latest Practicable Date, we did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings and other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors confirm that there have been no material changes in our indebtedness since January 31, 2026, being the latest practicable date for determining our indebtedness, up to the Latest Practicable Date.

CAPITAL EXPENDITURES

During the Track Record Period, our payment for purchase of property, plant and equipment and intangible assets amounted to RMB105.8 million, RMB22.4 million, RMB13.3 million and RMB3.0 million for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively. We expect to incur additional capital expenditures for the purchase of property, plant and equipment and intangible assets in the future. We plan to finance our future capital expenditures primarily with cash and cash equivalents, future cash flow from operating activities, bank and other borrowings and the net proceeds from the Global Offering. See the section "Future Plans and Use of Proceeds" in the prospectus for more details. We may reallocate the fund to be utilized on capital expenditures based on our ongoing business needs.

COMMITMENTS

As of December 31, 2022, 2023 and 2024 and September 30, 2025, we had commitments contracted for but not yet provided of RMB2.4 million, RMB0.7 million, RMB0.4 million and RMB33,927, primarily in connection with contracts entered into for the acquisition of property, plant and equipment used for our production plants and intangible assets.

CONTINGENT LIABILITIES

As of December 31, 2022, 2023 and 2024 and September 30, 2025, we did not have any contingent liabilities. Our Directors confirm that there has been no material change in our contingent liabilities since September 30, 2025 and up to the Latest Practicable Date.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates indicated:

	For the year ended/ As of December 31,			For the nine months ended/As of September 30,
	2022	2023	2024	2025
Gross profit margin[(1)]	15.7%	16.6%	15.7%	16.6%
Current ratio[(2)]	0.6	0.6	0.6	0.6
Quick ratio[(3)]	0.3	0.3	0.3	0.3

Notes:

(1) Gross profit margin is calculated by dividing gross profit by our revenue for the year/period indicated.

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

(3) Quick ratio equals current assets, excluding inventories, divided by current liabilities as of the same date.

During the Track Record Period, our current ratio and quick ratio remained stable at 0.6 and 0.3, respectively. For the fluctuation of gross profit margin, see "— Results of Operations."

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. See Note 34 of the Accountants' Report included in Appendix I to this prospectus. Our Directors confirm that each of the material related party transactions during the Track Record Period were conducted on an arm's-length basis, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to a variety of financial risks, with credit risk being the principal risk, as set out below. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. For further details, including other financial risks such as liquidity and interest rate risks and the relevant sensitivity analysis, see Note 31 in the Accountants' Report set out in Appendix I of this prospectus.

Credit Risk

Our credit risk is primarily attributable to trade receivables and contract assets. Our exposure to credit risk arising from cash and cash equivalents, time deposit, restricted cash and bills receivables is limited because the counterparties are banks and financial institutions for which we consider to represent low credit risk. We do not provide any guarantees which would expose us to credit risk.

We have established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operate. Trade receivables are due within a period of 0-30 business days upon achieving a milestone. Normally, we do not obtain collateral from customers.

We have no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when we have significant exposure to individual customers. As of December 31, 2022, 2023 and 2024 and September 30, 2025, 27.89%, 32.11%, 22.85% and 14.01% of the total trade receivables and contract assets was due from our five largest customers in each year/period during the Track Record Period, respectively.

We measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As our historical credit loss experience does not indicate significantly different loss patterns for different type of customer, the loss allowance based on past due status is not distinguished among our different customer types.

For further details and an analysis of the credit quality based on our credit policy and the maximum exposure to credit risk at the end of each year/period during the Track Record Period, see Note 31 to the Accountants' Report set out in Appendix I to this prospectus. Based on the abovementioned, our Directors are of the view that our existing credit risk management policy is appropriate and sufficient.

DIVIDENDS

No dividend has been paid or declared by our Company during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not have any dividend policy to declare or pay any dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including the successful commercialization of our products as well as our earnings, capital requirements, overall financial condition and contractual restrictions. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisors, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our 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.

DISTRIBUTABLE RESERVES

As of September 30, 2025, we did not have any reserves available for distribution to our Shareholders.

LISTING EXPENSES

The total listing expenses to be borne by us are estimated to be approximately RMB52.6 million (assuming an Offer Price of HK$18.40 per H Share, which is the mid-point of the indicative Offer Price range stated in this prospectus and assuming that the Over-allotment Option is not exercised), accounting for 8.8% of the gross proceeds from the Global Offering, of which (i) approximately RMB15.5 million was charged to our consolidated statements of profit or loss and other comprehensive income for the nine months ended September 30, 2025, (ii) approximately RMB13.3 million is expected to be charged to our consolidated statements of profit or loss and other comprehensive income after the Track Record Period, and (iii) approximately RMB23.8 million is directly attributable to the offering and listing of our Offer Shares and will be deducted from equity upon the Listing. By nature, our listing expenses are comprised of (i) underwriting commission of approximately RMB20.9 million, (ii) fees and expenses of accountants and legal advisers of approximately RMB20.3 million, and (iii) other fees and expenses of approximately RMB11.4 million. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See ''Appendix IIA — Unaudited Pro Forma Financial Information.''

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that there has been no material adverse change in our business, financial condition and results of operations since September 30, 2025, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report set out in Appendix I to this prospectus, and up to the date of this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

For a detailed description of our future pans, see "Business — Our Strategies."

USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting commissions and other fees and expenses paid and payable by us in connection with the Global Offering, will be approximately HK$617.5 million, assuming an Offer Price of HK$18.40 per H Share (being the mid-point of the indicative range of the Offer Price of HK$16.40 to HK$20.40 per H Share), and that the Over-allotment Option is not exercised.

We currently intend to use the net proceeds from the Global Offering for the purposes and in the amounts as set out below:

(a) approximately 24.5% of the net proceeds, or HK$151.3 million, will be used over the next six years for advancing our core robotics product lines (such as enhancing our existing products and developing new products) to strengthen our market position, broaden our solutions offering, and reinforce our leadership in the intralogistics robotics sector. More specifically:

(i) approximately 10.5% of the net proceeds, or HK$64.8 million, to be used for the technological advancement and development of next-generation AMR products, including core AMR technology optimization, structural design improvements, mechanical system enhancements, and comprehensive performance testing and validation.

We intend to develop customized solutions tailored to the specific requirements and technical standards of different geographic markets. In the near term, we plan to focus on developing AMR models designed for customers in Japan and South Korea, where the levels of industrial automation and warehousing efficiency are among the highest in Asia. Japan and South Korea are our strategic priorities because of their advanced manufacturing bases, high demand for automation, and well-developed logistics infrastructure. In South Korea, we already have a track record of stable project performance and multiple successful deployments, which makes our next step to strengthen local service and technical support teams to better serve existing clients. For Japan, although the market shows strong potential and we have achieved several initial project wins, Japanese customers generally prefer working with suppliers that have a local presence and direct after-sales service. To fit local warehouse practices, we plan to optimize our robots to handle the types of pallets that are commonly used in Japan and South Korea, which are different from the ones used elsewhere. Our existing VFR-CL series is mainly built for open-base pallets that can be lifted easily from underneath. In contrast, Japanese and South Korean facilities mainly use pallets with a flat or closed base, which require a different lifting system. We therefore launch our new VFR-CS series with a modified lifting design that can smoothly pick up and move such pallets.

Moreover, we plan to advance our product certification programs, including obtaining CE certification. CE certification is a regulatory requirement for market entry in the European and Australian markets, and securing this certification will enable us to expand our addressable markets in these regions.

In addition, we will continue to iterate on and develop our VFR series. We have already introduced new models into our existing VFR-CL and VFR-CC series, and have recently launched our new VFR-CS series. All these VFR models feature enhanced technical specifications, including improved lifting height and expanded load-bearing capabilities. These developments are strategically important as VFR represents a next-generation fork-type robot solution in a rapidly growing market segment.

Furthermore, we are dedicated to developing a new product line of VFR-CP series, representing our strategic expansion into specialized narrow-aisle picking solutions, further diversifying our product portfolio to meet evolving warehouse automation needs.

(ii) approximately 7.0% of the net proceeds, or HK$43.3 million, to be used for continuous enhancement and iterative upgrades of our MSR products, including structural design optimization, integration of advanced sensing capabilities, drive system enhancement, and performance testing and validation. Specifically, we plan to develop tote-handling MSRs that can move and exchange power and data more efficiently. These new MSRs will use a continuous charging method and a wireless communication system, enabling the robots to operate with less downtime and smoother coordination within large warehouses. This will help us compete more effectively with leading global warehouse automation players. In addition, we intend to develop pallet-handling MSRs that use a simpler mechanical design requiring minimal maintenance. These systems are expected to offer a more cost-effective and flexible alternative to the traditional tall stacker crane systems used in automated warehouses, allowing customers to adapt more easily to different storage layouts both in China and overseas markets; and

(iii) approximately 7.0% of the net proceeds, or HK$43.2 million, to be used for the R&D of our CSR and other products, including the R&D of very-high-rack stacker cranes, swivel wheel mechanisms, integrated transfer devices, single-mast stacker cranes, as well as mechanical structure and control system optimization for CSR products. Particularly, we plan to develop high-efficiency robotic systems under our CSR platform, including transfer robots capable of moving about 2,500 items per hour and sorting robots handling up to 5,000 items per hour. These improvements aim to process goods more quickly and support customers with large-scale, time-sensitive warehouse operations. We will also implement a modular design approach in enhancing our CSR products, which will enhance manufacturing efficiency and deployment flexibility for our CSR products. Meanwhile, we will continue to optimize the control systems and performance parameters, aiming to strengthen the competitiveness of our products.

(b) approximately 20.5% of the net proceeds, or HK$126.4 million, will be used for the R&D of our fundamental technologies (such as digital twin technology, large model technology and robotics technology incorporating AI techniques) and software capabilities development to strengthen our technological capabilities and enhance our product performance, enabling us to provide more intelligent and efficient solutions to our customers. More specifically:

(i) approximately 13.0% of the net proceeds, or HK$80.2 million, to be used for foundational technology development, including digital twin technology, large model technology, robotics technology incorporating AI techniques and other core autonomous navigation capabilities. The development of our robotics technology and software is an ongoing and continuous process. The three AI technologies represent fundamental software and algorithmic advancements that enhance the intelligence and performance of our robotics solutions. We do not generate separate revenue streams from these AI technologies — rather, they serve to improve the functionality of our robotics products, which are the primary source of our revenue.

We are developing a digital twin platform that can achieve real-time monitoring and control of all operating robots through a unified dashboard, integrating simulation capabilities for workload planning, demand forecasting, and more effective maintenance. It will also automatically detect irregularities and restore normal operations quickly, which is especially useful for large facilities. Most customers find value in this higher level of visibility, and we expect to offer the system as an integrated feature within our projects. Adopting this technology is expected to make new project roll-outs faster and smoother for clients.

Regarding our large model technology, we are developing a data-driven optimization platform that simplifies how customers deploy and manage our robotic systems. It will standardize setup procedures and automate routine adjustments, ensuring different robot types and sites can work together more easily. The platform's analytics capabilities will help identify issues and optimize performance across multiple facilities, which in turn improves operating efficiency, reduces maintenance costs and supports wider adoption of our solutions.

In relation to robotics technology incorporating AI techniques, we are advancing an autonomous system with enhanced environmental mapping and navigation capabilities, featuring architecture that enables multi-robot coordination and path optimization for operational environments requiring reduced manual oversight. This technology unlocks new application scenarios previously unfeasible with more basic robots, enabling deployment in complex environments, expanding our addressable market, and improving customer satisfaction in challenging use cases; and

(ii) approximately 7.5% of the net proceeds, or HK$46.2 million, to be used for software system development, including the design and implementation of integrated WMS, WCS and RCS, and system integration frameworks;

(c) approximately 25.0% of the net proceeds, or HK$154.4 million, will be used for production capacity expansion and manufacturing capabilities enhancement (such as scaling up our manufacturing capacity and upgrading our production system.) The global intelligent intralogistics market is projected to reach RMB522.8 billion in 2025 and further grow to RMB991.9 billion by 2030, representing a CAGR of 13.7%, according to Frost & Sullivan. China, as a major market player, has shown particularly strong growth with its market size expected to reach RMB204.6 billion in 2025 and RMB413.7 billion by 2030, at a CAGR of 15.1%. Within this expanding market, we plan to significantly scale up our production capabilities across our key product lines particularly for our MSR and AMR products and systems. We believe this capacity expansion is necessary to support our growth trajectory. Notably, we project substantial growth in market demand for our MSRs and AMRs, with expected demand reaching 2,000 units for MSRs and 2,400 units for AMRs by 2027. Our existing production lines had a design capacity of 851 units of MSRs and 388 units of AMRs in 2024, which will be insufficient to meet this projected future demand, making expansion critical to capture emerging growth opportunities. Further, as a project-based business, our production needs fluctuate with project timelines and customer-specific delivery requirements. The annual utilization rates of our existing lines reflect average figures across the year, with different utilization levels during various project delivery phases. Sufficient capacity headroom is therefore essential to manage these fluctuations, ensuring we can meet project deadlines without delays even during periods of heightened demand. These technological improvements will enable us to reduce per-unit production costs and strengthen quality control processes, making the investment in capacity expansion economically justified. More specifically:

(i) approximately 15.5% of the net proceeds, or HK$95.7 million, will be allocated to the construction and establishment of new manufacturing facilities. We expects to complete land acquisition by the end of 2026 for the new facilities, followed by construction and renovation throughout 2027, with operations scheduled to commence in 2027. Our Jiaxing facility, which primarily focuses on the assembly of MSRs and AMRs, has reached near-full utilization of over 80% for MSRs and over 90% for AMRs during the nine months ended September 30, 2025, and cannot accommodate our planned capacity expansion. To address this constraint, we intend to acquire an additional parcel of approximately 13,300 square meters in Jiaxing. The new site will be primarily used for the production of MSRs and AMRs, as well as the processing of related components. Upon the completion of the new facility, based on the annualized designed capacity of the Jiaxing facility in 2025 of approximately 943 units of MSRs and 644 units of AMRs, the designed capacity of for AMRs is expected to be increased by 614.3% to approximately

4,600 units per year, and the designed capacity for MSRs is expected to be increased by 154.5% to approximately 2,400 units per year. We believe such capacity expansion is supported by strong market demand, as China's intelligent intralogistics robotics market is projected to reach RMB133.9 billion by 2030, representing a CAGR of 20.2% from 2025 to 2030. In particular, the total shipment of VNA AMRs in China is expected to increase from approximately 1.5 thousand units in 2023 to 20.8 thousand units in 2030, evidencing the growing adoption of automation solutions driven by the country's accelerated transition toward intelligent production and logistics. We believe our growth trajectory is positioned to be in line with the overall growth of the addressable market. While we ranked the fifth among the top five comprehensive intelligent intralogistics robotics companies in China by revenue in 2024 with a market share of 1.6%, as the industry is highly fragmented, characterized by a large number of participants and no single dominant player, we see a significant long-term opportunity. The execution and recognition of revenue from our expanding backlog, coupled with sustained and sufficient market demand, positions us to execute our strategy and capture market share over time. See "Industry Overview." The planned capacity expansion will strengthen our production capabilities and enable us to better capture the projected growth in market demand for MSRs and AMRs; and

(ii) approximately 9.5% of the net proceeds, or HK$58.7 million, will be allocated to enhance our manufacturing capabilities through investments in advanced production equipment and skilled production personnel. We plan to upgrade our facilities with next-generation production systems featuring AI capabilities and automated operations, which will significantly improve our production efficiency and quality control capabilities. Additionally, we plan to procure and install necessary ancillary hardware and software infrastructure to ensure seamless integration and smooth operations of our enhanced manufacturing facilities, positioning us to better meet growing market demand. The ancillary hardware and software infrastructure primarily includes automated testing equipment, quality control systems, manufacturing execution systems (MES), and enterprise resource planning (ERP) systems, which typically have a useful life of 3-5 years, and are similar to our existing systems that were installed in November 2019 with remaining useful life of approximately 4.1 years as of September 30, 2025. To support such expansion, we plan to recruit 30-50 skilled personnel over the next three years, including production line operators, factory management, quality control specialists, PMC team members, and logistics personnel;

(d) approximately 20.0% of the net proceeds, or HK$123.5 million, will be used to support our market development initiatives, including selective overseas business expansion, which are aimed at strengthening our brand recognition and enhancing our capability to serve multinational customers. As the global demand for intelligent intralogistics robots and systems continues to grow, we believe expanding our market reach and strengthening our international collaboration network will support our sustainable business growth and competitiveness. More specifically:

(i) approximately 10.0% of the net proceeds, or HK$61.8 million, will be used to strengthen our international business development and overseas sales support capabilities. This includes establishing 10 overseas sales, distribution, and technical support centers over the next five years in South Korea, Japan, Singapore, Thailand, the United Arab Emirates, the United States, Brazil, Germany, Poland and Australia. Our Directors believe this expansion strategy is feasible and supported by our experience in successfully delivering projects across multiple regions, our established partnerships in markets such as South Korea, Japan and the Middle East, as well as our steadily growing overseas revenue base and robust project pipeline. Over the next two years, we plan to recruit additional sales and business development personnel based in China to support international market liaison, customer and partner relationship development, and coordination with overseas customers, integrators and our internal teams. Our overall approach to international expansion is to pursue overseas market entry primarily through partner-led and project-based approaches, leveraging local integrators and existing customer relationships to validate market demand, accumulate execution experience and gradually scale sales coverage, while maintaining disciplined cost control and operational flexibility. In markets where we already have business activities and market presence, particularly in Asia-Pacific, Southeast Asia and the Middle East, including South Korea, Japan, Singapore, Israel and the United Arab Emirates, we intend to focus on deepening market penetration by leveraging existing relationships and established channels, supported by cooperation with local integrators. We also expect to expand our overseas business development coverage to selected new markets, including South America (Brazil), North America (the United States), selected European markets (including Germany and Poland) and Australia, in line with our sales development and project execution progress.

To compete effectively in these markets, we will leverage our key competitive advantages, including our track record of successful project delivery, our growing network of local integration partners, and our ability to provide scalable and customizable solutions. As of December 31, 2025, we had 46 ongoing overseas projects with an aggregate backlog of RMB685.0 million, including 35 ongoing overseas projects with integrators with an aggregate backlog of RMB571.8 million. By implementing this phased approach, focusing on regions with existing partnerships and experience, and leveraging our competitive advantages, we believe we are well positioned to pursue sustainable overseas sales growth; and

(ii) approximately 10.0% of the net proceeds, or HK$61.7 million, will support our market development initiatives through participation in major industry exhibitions, including CeMAT, LogiMAT and other key regional trade shows, as well as industry forums and seminars across different regions. Building on our exhibition experience, which has improved our visibility among European customers and integrators, we plan to carry out focused marketing and communication efforts through selected online and offline channels to further strengthen brand awareness and customer engagement; and

(e) approximately 10.0% of the net proceeds, or HK$61.8 million, will be used for working capital and other general corporate purposes to support our daily operations and overall business growth.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed below or above the mid-point of the indicative price range. If the Offer Price is set at HK$20.40 per H Share, which is the high end of our indicative Offer Price range, the net proceeds from the Global Offering will increase by approximately HK$71.0 million. If the Offer Price is set at HK$16.40 per H Share, which is the low end of our indicative Offer Price range, the net proceeds from the Global Offering will decrease by approximately HK$71.0 million. Any additional proceeds received from the exercise of the Over-allotment Option will also be allocated to the above purposes on a pro rata basis. In the event that the Over-allotment Option is exercised in full, we will receive net proceeds of HK$715.5 million (after deducting the estimated underwriting commissions and other fees and expenses paid and payable by us in connection with the Global Offering and assuming an Offer Price of HK$18.40 per H Share, being the mid-point of our indicative Offer Price range).

To the extent that the net proceeds are not immediately applied to the above purposes, we will only deposit the net proceeds into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

HONG KONG UNDERWRITERS

Guotai Junan Securities (Hong Kong) Limited, CLSA Limited, CMB International Capital Limited, Yellow River Securities Limited, ICBC International Securities Limited, ABCI Securities Company Limited, CCB International Capital Limited, Yunfeng Securities Limited, Livermore Holdings Limited, SPDB International Capital Limited, Shenwan Hongyuan Securities (H.K.) Limited, Yuen Meta (International) Securities Limited and Harmonia Capital Limited

UNDERWRITING ARRANGEMENTS

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 3,679,800 Hong Kong Offer Shares (subject to reallocation) for subscription by way of the Hong Kong Public Offering on and subject to the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement at the Offer Price. Subject to (i) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares pursuant to the Global Offering (including the H Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such approval not having been withdrawn; and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally (and not jointly or jointly and severally) to apply or procure applications, on the terms and conditions of this prospectus, for their respective applicable proportions of the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering.

Grounds for Termination. The Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) and the Joint Sponsors shall be entitled, in their absolute discretion and by giving notice stating the grounds in writing to our Company, to terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

(i) there shall develop, occur, exist or come into effect:

   (a) any local, national, regional or international events, or series of events, or circumstance, in the nature of force majeure (including, without limitation, any acts of government, declaration of a national, regional or international emergency or war, calamity, crisis, epidemic, pandemic, outbreaks, escalation, mutation or aggravation of diseases (including, without limitation, COVID, Severe Acute Respiratory Syndrome (SARS), H5N1, H1N1, H7N9, swine or avian flu and such related/mutated forms), economic sanctions, strikes, labor disputes, lock-outs, other industrial actions, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, civil commotion, riots, rebellion, calamity, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed), paralysis in government operations, interruptions or delay in transportation) in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof) or any other jurisdiction relevant to our Group (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**");

(b) any change of development involving a prospective change, or any event or circumstances or series of events likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, fiscal, legal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any of the Relevant Jurisdictions;

(c) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in, securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange, and the Shenzhen Stock Exchange;

(d) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or by other competent authority), New York (imposed at the U.S. Federal or New York State level or other competent authority), London, the PRC, the European Union (or any member thereof) or any of the other Relevant Jurisdictions (declared by the relevant authorities) or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions;

(e) any new law or regulation or any change or development likely to result in a prospective change in existing laws or regulations or any change or development likely to result in a prospective change in the interpretation or application thereof by any court or any governmental authority in or affecting any of the Relevant Jurisdictions;

(f) the imposition of economic sanctions or export controls in whatever form on any member of our Group or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges, in whatever form, directly or indirectly, by any authority of, or for, any of the Relevant Jurisdictions or any other jurisdiction relevant to any member of our Group;

(g) any change or development likely to result in a prospective change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of Hong Kong dollar, Renminbi, USD or Euro, against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of Reminbi, the United States dollar or Euro is linked to any foreign currency or currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions or affecting an investment in the Offer Shares;

(h) any valid demand by any creditor for repayment or payment of indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity;

(i) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of our Group, any Director, any senior management of the Company or any of Dr. GU, Dr. YANG, Mr. SHEN Lu or Ms. MA Lan (collectively the "**Warranting Shareholders**");

(j) any contravention by the Company, any member of our Group, or any Director of any applicable laws and regulations or the Listing Rules;

(k) any change or prospective change or development, or a materialization of, any of the risks set forth in the section headed "Risk Factors" in this prospectus;

which, in any case, individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries):

(A) has had or would reasonably be expected to have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, earnings, results of operations, performance, position or condition, financial or otherwise, of our Group, as a whole or to any present or prospective Shareholder in its capacity as such;

(B) has had or would reasonably be expected to have a material adverse effect on the success of the Global Offering or the level of applications or the distribution of the Offer Shares under the Hong Kong Public Offering or the level of interest under the International Offering;

(C) makes or will make or is likely to make it inadvisable, inexpedient, impracticable or incapable for any material part of the Hong Kong Public Offering and/or the International 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 Offer-Related Documents (as defined below); or

(D) has had or would have reasonably be expected to have the effect of making any material 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 Sponsor-Overall Coordinators that:

(a) any statement contained in any of this prospectus, the formal notice, the CSRC filings and/or in any notices or announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto (the "**Offer-Related Documents**")) was, when it was issued, or has become, untrue, incorrect, inaccurate in any material respects or misleading or deceptive, or that any forecast, estimate, expression of opinion, intention or expectation contained therein is not fair and honest and based on reasonable grounds or assumptions;

(b) any of the CSRC filings relating to or in connection with the Global Offering, or any amendments or supplements thereto (in each case, whether or not approved by the Joint Sponsors, the Sponsor-Overall Coordinators and the Capital Market Intermediaries, or any of them) containing any untrue, incorrect or inaccurate or alleged untrue, incorrect in any material respects or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents is not fair and honest and based on reasonable grounds or reasonable assumptions;

(c) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission from, or misstatement in, any of the Offer-Related Documents and the CSRC filings;

(d) there is a breach of, or any event or circumstance rendering untrue, incorrect or misleading in any respect, any of the representations and warranties given by our Company and the Warranting Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable;

(e) there is a material breach of any of the obligations imposed upon our Company or the Warranting Shareholders under the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable;

(f) there is an event, act or omission which gives or would reasonably be expected to give rise to any liability of our Company or the Warranting Shareholders pursuant to the indemnities given by any of them under the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable;

(g) there is a material adverse change, or any development involving a prospective material adverse change, in or affecting the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Company and the other members of our Group, taken as a whole;

(h) the approval of the Listing Committee of the listing of, and permission to deal in, the H Shares in issue (including the H Shares to be converted from the Unlisted Shares) and to be issued pursuant to the Global Offering (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the date of the Listing, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld;

(i) (A) the notice of acceptance of the CSRC fillings issued by the CSRC and/or the results of the filings to the CSRC published on the website of the CSRC is rejected, withdrawn, revoked or invalidated or (B) other than with the prior written consent of the Joint Sponsors and the Sponsor-Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment, which is materially adverse to the marketing, pricing or success of the Global Offering, 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;

(j) any person (other than the Joint Sponsors) has withdrawn its consent to the issue of this 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;

(k) our Company withdraws this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering;

(l) there is a prohibition by any applicable law or any competent authority on our Company, any of the Underwriters, and/or any of the foregoing's respective affiliates, for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering including any additional Shares to be issued pursuant to any exercise of the Over-allotment Option;

(m) chairman of the Board, any Director and any other member of senior management of our Company is vacating his or her office;

(n) any Director or member of senior management of our Company is being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management of a company or there is the commencement by any governmental, political, regulatory body or competent authority of any investigation or other action against any Director or member of senior management of our Company in his or her capacity as such or any member of our Group or an announcement by any governmental, political, regulatory body or competent authority that it intends to commence any such investigation or take any such enforcement action;

(o) an order or petition for the winding-up or liquidation of any member of our Group or any composition or arrangement made by any member of our Group with its creditors or a scheme of arrangement entered into by any member of our Group or any resolution for the winding-up of any member of our Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of our Group or anything analogous thereto occurring in respect of any member of our Group;

(p) a material portion of the orders placed or confirmed in the bookbuilding process has been withdrawn, terminated or cancelled;

(q) any non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares), the CSRC filings or any aspect of the Global Offering with the Listing Rules, the rules of the CSRC or any other applicable laws and regulations; or

(r) the issue or requirement to issue by our Company of a supplement or amendment to this 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 the CSRC Rules or upon any requirement or request of SEHK, the SFC and/or the CSRC.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by our Company. In accordance with Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not allot or issue further H Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) or form the subject of any agreement to such an allotment or issue within six months from the Listing Date (whether or not such issue of H Shares or securities of the Company will be completed within six months from the Listing Date), except for the issuance of H Shares or securities pursuant to the Global Offering (including the exercise of Over-allotment Option, if any) or for circumstances permitted under Rule 10.08 of the Listing Rules.

Undertakings by the Pre-Listing Concert Parties. In accordance with Rule 10.07(1) of the Listing Rules and Paragraph 7 of Chapter 4.13 of the Guide for New Listing Applicants, each member of the Pre-Listing Concert Parties has undertaken to the Stock Exchange, the Joint Sponsors and to our Company that, save as disclosed in this Prospectus and except pursuant to the Global Offering and the Over-allotment Option, he or she or it will not, and shall procure that none of his or her or its close associates will, without the prior written consent of the Stock Exchange or unless otherwise permitted under the Listing Rules, in the period commencing on the date by reference to which disclosure of his or her or its holding of H Shares is made in this Prospectus and ending on the date which is six months from the Listing Date (the "First Six-month Period"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any H Shares in respect of which he or she or it is shown in the Prospectus to be the beneficial owner.

As of the Latest Practicable Date, the Pre-Listing Concert Parties was entitled to exercise the voting rights attached to approximately 40.30% of the total issues Shares in aggregate. As the concert party agreements entered into by Dr. GU and each of Jointown Pharmaceutical and China Merchants Advanced Technology will terminate upon the completion of the Listing, immediately following the completion of the Global Offering, the exercisable voting rights in the Company to be controlled by the Single Largest Group of Shareholders will be approximately 27.26%. Accordingly, pursuant to Paragraph 7 of Chapter 4.13 of the Guide for New Listing Applicants, each member of the Pre-Listing Concert Parties is subject to the lock-up requirements pursuant to Rule 10.07 of the Listing Rules for the First Six-month Period, but not the period of six months commencing on the date on which the First Six-month Period expires.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company. Pursuant to the Hong Kong Underwriting Agreement, our Company has undertaken to each of the Joint Sponsors, Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries and each of them not to (save for the issue, offer or sale of the Offer Shares by our Company pursuant to the Global Offering, including pursuant to the exercise of the Over-allotment Option, if any, the grant of options or awards or issue of Shares pursuant to the Restricted Share Incentive Scheme or Pre-IPO Share Option Schemes), without the prior written consent of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) and unless in compliance with the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date falling six months after the Listing Date (the "**First Six-Month Period**"):

(i) offer, allot, issue, sell, accept subscription for, contract to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, assign, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, purchase any option, contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or otherwise transfer or dispose of or create any claim, mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, equitable right, power of sale, hypothecation, retention of title, right of pre-emption or other third party claim, right, interest or preference or any other encumbrance of any kind or an agreement, arrangement or obligation to create any of the foregoing (an "**Encumbrance**") over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any H Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, but not limited to, any securities that are 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 our Company, as applicable), or deposit any H Shares or other securities of our Company, as applicable, 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 subscription or ownership (legal or beneficial) of any H Shares or other securities of our Company, as applicable, or any interest therein (including, without limitation, any securities of which are convertible into or exchangeable or exercisable for or represent the right to receive, or any warrants or other rights to purchase, any H Shares or other securities of our Company, as applicable, or any interest in any of the foregoing); or

(iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

(iv) offer to or contract to or agree to announce, or publicly disclose that our Company will or may enter into any transaction described in paragraphs (i), (ii) or (iii) above,

in each case, whether any of the transactions described in paragraphs (i), (ii) or (iii) 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 shares or securities will be completed within the First Six-Month Period), provided that the foregoing restrictions shall not apply to the issue of the H Shares by our Company pursuant to the Global Offering.

In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), we enter into any of the transactions specified in paragraphs (i), (ii) or (iii) above or offer to or agree to or contract to or announce, or publicly disclose, any intention to, enter into any such transactions, we shall take all reasonable steps to ensure that we will not knowingly create a disorderly or false market in the H Shares or other securities of our Company. Each of the Warranting Shareholders undertakes to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries to procure the Company to comply with this undertaking.

Undertakings by the Warranting Shareholders. Each member of the Warranting Shareholders has undertaken that, without the prior written consent of the Joint Sponsors, Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that, he or she will not, at any time during the period commencing on the date of this prospectus and ending on, and including the date falling six months after the Listing Date, (i) offer, pledge, charge, 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, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend 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 equity securities of the Company or any interest in any of the foregoing (including, but not limited to, any securities that are 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), or deposit with a depositary in connection with the issue of depositary receipts any Shares or other securities of the Company beneficially owned by he/she as at the Listing Date (the "**Locked-up Securities**"); and (ii) 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.

INTERNATIONAL OFFERING

International Underwriting Agreement

In connection with the International Offering, it is expected that our Company will enter into the International Underwriting Agreement with the Joint Sponsors, the Sponsor-Overall Coordinators and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally (and not jointly or jointly and severally), agree to procure subscribers or purchasers for, or to purchase, their respective proportions of the International Offer Shares being offered under the International Offering (subject to, among other, any reallocation between the International Offering and the Hong Kong Public Offering). It is expected that the International Underwriting Agreement may be terminated on similar grounds as those in 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. Our Company has agreed to indemnify the International Underwriters against certain liabilities, including liabilities under the U.S. Securities Act.

Over-allotment Option and Stabilization

We expect to grant to the International Underwriters, exercisable in whole or in part by the Sponsor-Overall Coordinators at their absolute discretion (for themselves and on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date until up to (and including) the date which is the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue up to an aggregate of 5,519,600 H Shares, representing no more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to cover over-allocations in the International Offering, if any. For more details of the arrangements relating to the Over-allotment Option and stabilization, see "Structure of the Global Offering" in this prospectus.

UNDERWRITING COMMISSIONS AND LISTING EXPENSES

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission equal to 2.0% of the aggregate Offer Price payable for the Offer Shares (including the Offer Shares to be issued pursuant to the Over-allotment Option, if any) (the "**Fixed Fees**"). Our Company may, at our sole and absolute discretion, pay to one or more Underwriters or Capital Market Intermediaries an additional incentive equal to 1.5% of the Offer Price payable for the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option, if any) (the "**Discretionary Fees**"). As of the date of this prospectus, the allocation of a portion of the Fixed Fees remains subject to the Company's discretion. Accordingly, the unallocated portion of the Fixed Fees will be regarded as discretionary fees for the purpose of the Listing Rules. The ratio of the Fixed Fees and the Discretionary Fees (if fully paid) payable to all Underwriters and Capital Market Intermediaries is expected to be approximately 50.2:49.8 (assuming (i) the Offer Price of HK$18.40, being the mid-point of the indicative Offer Price range; (ii) the Over-allotment Option will not be exercised; and (iii) the Discretionary Fees will be paid in full). For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters. Each of the Joint Sponsors is entitled to sponsor fee in the amount of HK$2,000,000.

The aggregate underwriting commissions and fees (including the incentive fees and assuming full payment), together with the Stock Exchange listing fees, the SFC transaction levy, AFRC transaction levy the Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the Global Offering, are estimated to be approximately HK$59.6 million in aggregate (based on the Offer Price of HK$18.40 per Offer Share, being the mid-point of the indicative Offer Price range per Offer Share and assuming the Over-allotment Option is not exercised), and are to be borne by us.

Indemnity. We have agreed to indemnify the Joint Sponsors, Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries for certain losses which they may suffer, including losses incurred from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that each of the Underwriters and the Capital Market Intermediaries of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates, may individually undertake, and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following: (a) under the agreement among the Syndicate Members, all of them must not make bids or purchases or effect any other transactions (including but not limited to issuing any option or derivative or structured product which has, as its underlying asset, any Offer Shares), whether in the open market or otherwise, for the purpose of or with a view to creating actual, or apparent, active trading in the Offer Shares or raising, stabilizing or maintaining the price of the Offer Shares to or at levels other than those which might otherwise prevail in the open market; and (b) all of them 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.

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 accounts of others. In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing. In relation to issues by the 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 of these activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering — Stabilization." These 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 H Shares' share price, and the extent to which this occurs from day to day cannot be estimated.

Except as disclosed in this prospectus and the obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the Underwriters and the Capital Market Intermediaries has any shareholding interest in any member of our Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group. 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.

JOINT SPONSORS' INDEPENDENCE

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises: (i) the Hong Kong Public Offering of initially 3,679,800 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described in "— The Hong Kong Public Offering" below in this section; and (ii) the International Offering of initially 33,118,200 Offer Shares (subject to reallocation) and Over-Allotment Option outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur, as described in "— The International Offering" below in this section. The 36,798,000 Offer Shares in the Global Offering will represent approximately 8.60% of our enlarged share capital immediately after the completion of the Global Offering, assuming that Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 9.76% of our enlarged share capital immediately after the completion of the Global Offering. The underwriting arrangements, and the respective Underwriting Agreements, are summarized in the section headed "Underwriting" in this prospectus. The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering may be subject to reallocation as described in "— The Hong Kong Public Offering — Reallocation" below in this section.

Investors may either apply for the Hong Kong Offer Shares under the Hong Kong Public Offering, or apply for or indicate an interest for the International Offer Shares under the International Offering, but may not do both. References in this prospectus to applications, application or subscription monies or procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 3,679,800 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering. The Hong Kong Offer Shares will represent approximately 0.86% of our Company's enlarged share capital immediately after completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Completion of the Hong Kong Public Offering is subject to the conditions as set out in "— Conditions of the Global Offering" below in this section.

Allocation

Allocation of the Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based 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. We may, if necessary, allocate the Hong Kong Offer Shares on the basis 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 Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) is to be divided equally into two pools (subject to reallocation at odd lot size): pool A and pool B, both of which are available on an equitable basis to successful applicants with any odd board lots being allocated to pool A: ***Pool A***: the Offer Shares will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less; and ***Pool B***: the Offer Shares will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value of pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in the pool and be allocated accordingly.

For the purpose of this subsection only, the "subscription price" for the Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 50% of the Hong Kong Offer Shares initially comprised in the Hong Kong Public Offering (being 1,839,800 Hong Kong Offer Shares) will be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters). Subject to the allocation cap described in the subsequent paragraph, the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate. In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B in equal proportion and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-Overall Coordinators deem appropriate.

If (i) the Offer Shares under the International Offering are fully subscribed or over-subscribed, and the Offer Shares under Hong Kong Public Offering are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the Offer Shares under the International Offering are not fully subscribed, and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 1,839,800 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 5,519,600 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) and the final Offer Price shall be fixed at the bottom end of the indicative price range (i.e. HK$16.40 per Offer Share), in accordance with Chapter 4.14 of the Guide for New Listing Applicants issued by the Stock Exchange.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering. Subject to the above, the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) shall have the discretion to reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering, regardless of whether any reallocation pursuant to paragraph 4.2 of Practice Note 18 of the Listing Rules is triggered. If the Hong Kong Public Offering is not fully subscribed for, the Sponsor-Overall Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering in such proportions as the Sponsor-Overall Coordinators deem appropriate.

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 or her that he or she and any person(s) for whose benefit he or she 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, and such applicant's application is liable under the International Offering to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

The listing of the Offer Shares on the Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK$20.40 per H Share in addition to any brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$4,121.15 for one board lot of 200 H Shares. Further details are set out below in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares offered

Subject to the reallocation as described above, our Company will be initially offering for subscription under the International Offering 33,118,200 Offer Shares, representing approximately 90% of the Offer Shares under the Global Offering and approximately 7.74% of our enlarged issued share capital immediately after completion of the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes).

Allocation

The International Offering will include selective marketing of the International Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such International Offer Shares in other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Prospective professional, institutional and other investors will be required to specify the number of International Offer Shares under the International Offering they would be prepared to acquire. 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. Allocation of International Offer Shares pursuant to the International Offering will be determined by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and will be 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 of the Offer Shares on the Stock Exchange. 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 our Company and our Shareholders as a whole. The Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered the International Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sponsor-Overall Coordinators so as to allow it to identify the relevant application under the Hong Kong Public Offering and to ensure that they are excluded from any application of the Hong Kong Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the reallocation arrangement described in the subsection headed "The Hong Kong Public Offering — Reallocation" above, and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters). Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to allot and issue up to an aggregate of 5,519,600 additional H Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, among other things, 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 1.27% of the total H Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public 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 (or any person acting for it), on behalf of the Capital Market Intermediaries and the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of the Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering. The Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimising 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 minimising any reduction in the market price of the Shares, (c) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimising any reduction in the market price of the H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above. Specifically, prospective applicants for and investors in the Offer Shares should note that: (i) the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares; (ii) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position; (iii) liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares; (iv) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Saturday, April 18, 2026 being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall; (v) the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and (vi) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 5,519,600 H Shares, representing up to 15% of the initial Offer Shares, through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the consideration for the Offer Shares allocated to such investor will be settled before the Listing Date. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

PRICING AND ALLOCATION

The Offer Price will not be more than HK$20.40 per Offer Share and is expected to be not less than HK$16.40 per Offer Share, unless otherwise announced as further explained below. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus. If you apply for the Offer Shares under the Hong Kong Public Offering, you must pay the maximum Offer Price of HK$20.40 per Offer Share, plus 1.0% brokerage, 0.0027% SFC transaction levy, 0.00015% AFRC transaction levy and 0.00565% Stock Exchange trading fee, amounting to a total of HK$4,121.15 for one board lot of 200 H Shares.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective investors during the book-building process, and with the prior consent of our Company, reduce the number of Offer Shares and/or the Offer Price below that stated in this prospectus prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a situation, our Company will, as soon as practicable following the decision to make such reduction and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, post a notice on the website of the Stock Exchange (**www.hkexnews.hk**) and the website of our Company (**www.galaxis-tech.com**) (the contents of the website do not form a part of this prospectus). Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental or new prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The supplemental or new prospectus should include at least the following: updated (i) Offer Price range and market capitalization; (ii) listing timetable and underwriting obligations; (iii) unaudited pro forma and adjusted net tangible assets; and (iv) use of proceeds and confirmation of the working capital adequacy based on the revised estimated proceeds. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will be fixed within such revised Offer Price range.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any notice of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the last day for lodging applications under the Hong Kong Public Offering, which is Thursday, March 19, 2026. In the absence of any such supplemental or new prospectus so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon with our Company and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) will under no circumstances be set outside the Offer Price stated in this prospectus. In the event of a reduction in the number of Offer Shares, the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) may, at its discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares available under the Global Offering (assuming the Over-allotment Option is not exercised). 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 Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters). The level of indications of interest in the International Offering, the basis of allotment of the Offer Shares available under the Hong Kong Public Offering and the results of allocations in the Hong Kong Public Offering are expected to be made available in a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares — D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Hong Kong Offer Shares is conditional on, among others: (i) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued (including any H Shares that may be issued pursuant to the exercise of the Over-allotment Option) pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date; (ii) the Offer Price being duly agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Company; (iii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and (iv) the obligations of the Hong Kong Underwriters and the Capital Market Intermediaries under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters and the

Capital Market Intermediaries under the International Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the case may be (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 30 days after the date of this prospectus. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Company on or before the 12:00 noon on Price Determination Date, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with 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 our Company on the website of the Stock Exchange (**www.hkexnews.hk**) and on the website of our Company (**www.galaxis-tech.com**) on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set forth in the section headed "How to Apply for Hong Kong Offer Shares — D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

All necessary arrangements have been made to enable 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 the HKSCC Operational Procedures in effect from time to time.

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, March 24, 2026, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, March 24, 2026. Our H Shares will be traded in board lots of 200 H Shares each and the stock code of the H Shares is 2729.

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 Offer 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.galaxis-tech.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: (i) are 18 years of age or older; and (ii) have a Hong Kong address (for the **White Form eIPO** 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: (i) are an existing Shareholder of our Company; (ii) are a Director or chief executive of our Company and/or a director, supervisor or chief executive of any of its subsidiaries; (iii) are a close associate (as defined in the Listing Rules) of any of the above persons; (iv) are a connected person (as defined in the Listing Rules) of our Company or will become a connected person of our Company immediately upon the completion of the Global Offering; or (v) have been allocated or have applied for or indicated an interest in any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 am on Monday, March 16, 2026 and end at 12:00 noon on Thursday, March 19, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	www.eipo.com.hk	Applicants who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 am on Monday, March 16, 2026 to 11:30 a.m on Thursday, March 19, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, March 19, 2026, Hong Kong time

Application Channel	Platform	Target Investors	Application Time
HKSCC EIPO channel.	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction on your behalf through HKSCC's FINI system in accordance with your instruction	Applicants who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares. For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different 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 **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** service provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service. By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it. For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offer.

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	For Corporate Applicants
■ Full name(s)[2] as shown on your identity document	■ Full name(s)[2] as shown on your identity document
■ Identity document's issuing country or jurisdiction	■ Identity document's issuing country or jurisdiction
■ Identity document type, with order of priority:	■ Identity document type, with order of priority:
i. HKID card; or	i. LEI registration document; or
ii. National identification document; or	ii. Certificate of incorporation; or
iii. Passport; and	iii. Business registration certificate; or
	iv. Other equivalent document; and
■ Identity document number	■ Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at 4[1] 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).

[1] Subject to change, if the Company's Articles of Incorporation and applicable company law prescribe a lower cap.

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Sponsor-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 maximum Offer Price is HK$20.40 per H Share.

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

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

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

No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application
	HK$		*HK$*		*HK$*		*HK$*
200	4,121.15	3,000	61,817.20	40,000	824,229.35	500,000	10,302,867.00
400	8,242.29	4,000	82,422.93	50,000	1,030,286.70	600,000	12,363,440.40
600	12,363.44	5,000	103,028.66	60,000	1,236,344.05	700,000	14,424,013.80
800	16,484.58	6,000	123,634.40	70,000	1,442,401.38	800,000	16,484,587.20
1,000	20,605.73	7,000	144,240.14	80,000	1,648,458.72	900,000	18,545,160.60
1,200	24,726.88	8,000	164,845.87	90,000	1,854,516.05	1,000,000	20,605,734.00
1,400	28,848.02	9,000	185,451.61	100,000	2,060,573.40	1,200,000	24,726,880.80
1,600	32,969.17	10,000	206,057.35	200,000	4,121,146.80	1,400,000	28,848,027.60
1,800	37,090.32	20,000	412,114.68	300,000	6,181,720.20	1,600,000	32,969,174.40
2,000	41,211.47	30,000	618,172.02	400,000	8,242,293.60	1,839,800[(1)]	37,910,429.41

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

(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) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "*— A. APPLICATION FOR HONG KONG OFFER SHARES — 3. Information Required to Apply*" 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 **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf): (i) undertake to execute all relevant documents and instruct and authorise us and/or the Sponsor-Overall 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 **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them; (iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares; (iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application; (v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations; (vi) agree that the Relevant Persons[2], 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

2 Relevant Persons would include the Joint Sponsors, Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediates and any of their or our Company's respective directors, supervisors, officers, employees, partners, agents or representatives and any other parties involved in the Global Offering.

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 Sponsor-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 H Share Registrar or by any one as your agent or by any other person; and (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC and (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 **White Form eIPO** service or **HKSCC EIPO** channel:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function. The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	24 hours, from 11:00 p.m. and Monday, March 23, 2026 to 12:00 midnight on Sunday, March 29, 2026 (Hong Kong time)

Platform		Date/Time
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.galaxis-tech.com** which will provide links to the above mentioned websites of the H Share Registrar	No later than 11:00 p.m. on Monday, March 23, 2026 (Hong Kong time)
Telephone . . .	+852 2862 8555 — the allocation results telephone enquiry line provided by the Hong Kong Share Registrar	between 9:00 a.m. and 6:00 p.m., on Tuesday, March 24, Wednesday, March 25, Thursday, March 26 and Friday, March 27 (Hong Kong time) on a business day

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from Friday, March 20, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, March 20, 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 final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.galaxis-tech.com** by no later than 11:00 p.m. on Monday, March 23, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Sponsor-Overall 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: (i) within three weeks from the closing date of the application lists; or (ii) 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 Sponsor-Overall Coordinators believes 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 Offer 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 Public 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 International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below). No temporary document of title will be issued in respect of the Offer 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 Tuesday, March 24, 2026 (Hong Kong time), provided that the Global Offering 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 do so entirely at their own risk. The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of Share certificate[3]		
For physical share certificates of 1,000,000 or more Offer Shares issued under your own name	**Collection in person:** from H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong **Time:** from 9:00 a.m. to 1:00 p.m. on Tuesday, March 24, 2026 (Hong Kong time) If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop Both individuals and authorized representatives must produce, 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	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

3 Except in the event any Bad Weather Signals (as defined below) in force in Hong Kong in the morning on Monday, March 23, 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. Severe Weather Arrangements*" in this section.

	White Form eIPO service	HKSCC EIPO channel
For physical share certificates of less than 1,000,000 Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk **Time:** Monday, March 23, 2026	
Refund mechanism for surplus application monies paid by you		
Date	Tuesday, March 24, 2026	Subject to the arrangement between you and your broker or custodian
Responsible party . . .	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**White Form** e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, March 19, 2026 if, there is/are: (i) a tropical cyclone warning signal number 8 or above; (ii) a black rainstorm warning; and/or (iii) an "extreme conditions" announcement issued after a super typhoon ("**Extreme Conditions**"), (collectively, "**Severe Weather Signals**"), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, March 19, 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 **Severe** 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.galaxis-tech.com** of the revised timetable.

If a **Severe** Weather Signal is hoisted on Monday, March 23, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the share certificates to the CCASS Depository's service counter so that they would be available for trading on Tuesday, March 24, 2026.

- If a **Severe** Weather Signal is hoisted on Tuesday, March 24, 2026: for physical share certificates of 1,000,000 or over offer shares issued under your own name, you may pick them up from the H Share Registrar's office after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Tuesday, March 24, 2026 or on Wednesday, March 25, 2026).

- If a **Severe** Weather Signal is hoisted on Monday, March 23, 2026: for physical share certificates of less than 1,000,000 offer shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Monday, March 23, 2026 or on Tuesday, March 24, 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 the HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. 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 bank 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: (i) processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares; (ii) compliance with applicable laws and regulations in Hong Kong and elsewhere; (iii) registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees; (iv) maintaining or updating the register of members of the Company; (v) verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares; (vi) facilitating Hong Kong Offer Shares balloting; (vii) establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.; (viii) distributing communications from the Company and its subsidiaries; (ix) compiling statistical information and profiles of the holder of the H Shares; (x) disclosing relevant information to facilitate claims on entitlements; and (xi) 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: (i) the Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar; (ii) HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar 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); (iii) 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; (iv) 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 (v) any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-70, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHEJIANG GALAXIS TECHNOLOGY GROUP CO., LTD. (浙江凱樂士科技集團股份有限公司) AND GUOTAI JUNAN CAPITAL LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Zhejiang Galaxis Technology Group Co., Ltd. (浙江凱樂士科技集團股份有限公司) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-70, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and September 30, 2025 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements, for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-70 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated March 16, 2026 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at December 31, 2022, 2023 and 2024 and September 30, 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the nine months ended September 30, 2024, and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 30(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

March 16, 2026

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(Expressed in Renminbi ("RMB"))

	Note	Year ended December 31			Nine months ended September 30	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue	4	**656,924**	**550,790**	**721,417**	**344,216**	**551,637**
Cost of sales		(553,496)	(459,123)	(607,855)	(283,995)	(460,225)
Gross profit		**103,428**	**91,667**	**113,562**	**60,221**	**91,412**
Other income	5(a)	10,352	24,286	17,425	10,515	9,077
Other net (loss)/gain	5(b)	(301)	(4,080)	110	(868)	900
Selling and marketing expenses		(69,252)	(63,759)	(40,853)	(29,906)	(32,528)
Administrative expenses		(66,619)	(78,046)	(60,924)	(42,715)	(56,906)
Research and development expenses		(94,554)	(85,364)	(61,995)	(44,754)	(48,113)
Impairment loss recognized on property, plant and equipment	11	–	(7,086)	–	–	–
Impairment loss (recognized)/reversal on trade receivables and contract assets		(6,444)	(8,804)	(22,306)	(2,864)	1,148
Loss from operations		**(123,390)**	**(131,186)**	**(54,981)**	**(50,371)**	**(35,010)**
Net finance income	6(a)	4,404	6,294	4,226	3,560	1,758
Changes in the carrying amount of the redemption liability	25	(89,949)	(116,489)	(126,166)	(93,530)	(100,655)
Loss before taxation		**(208,935)**	**(241,381)**	**(176,921)**	**(140,341)**	**(133,907)**
Income tax	7(a)	(633)	(233)	(1,137)	(1,008)	(564)
Loss for the year/period		**(209,568)**	**(241,614)**	**(178,058)**	**(141,349)**	**(134,471)**
Loss attributable to:						
Equity shareholders of the Company		(209,338)	(241,715)	(168,958)	(135,426)	(135,005)
Non-controlling interests		(230)	101	(9,100)	(5,923)	534
Loss for the year/period		**(209,568)**	**(241,614)**	**(178,058)**	**(141,349)**	**(134,471)**
Loss for the year/period		**(209,568)**	**(241,614)**	**(178,058)**	**(141,349)**	**(134,471)**
Other comprehensive income for the year/period (after tax):						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of financial statements of overseas subsidiaries		(4)	(8)	194	51	(240)
Total comprehensive income for the year/period		**(209,572)**	**(241,622)**	**(177,864)**	**(141,298)**	**(134,711)**
Attributable to:						
Equity shareholders of the Company		(209,342)	(241,723)	(168,764)	(135,375)	(135,245)
Non-controlling interests		(230)	101	(9,100)	(5,923)	534
Total comprehensive income for the year/period		**(209,572)**	**(241,622)**	**(177,864)**	**(141,298)**	**(134,711)**
Loss per share						
Basic and diluted (RMB)	10	(0.57)	(0.62)	(0.43)	(0.35)	(0.35)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	As at December 31			As at September 30
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	11	117,177	125,147	115,207	108,595
Right-of-use assets	12	72,138	29,405	20,644	21,198
Intangible assets	13	8,881	7,814	9,585	7,928
Financial assets measured at amortised cost	14	3,487	3,453	–	–
Time deposits	15	253,496	134,574	21,208	30,364
Prepayments	17(b)	4,880	60	188	78
		460,059	300,453	166,832	168,163
Current assets					
Inventories	18	769,162	1,062,384	1,023,469	889,344
Trade and other receivables	17(a)	365,784	313,725	299,747	379,406
Contract assets	19(a)	62,290	98,041	93,013	89,095
Prepayments	17(b)	32,844	85,159	34,661	50,321
Financial assets measured at amortised cost	14	–	–	3,419	–
Financial assets measured at fair value through profit or loss	20	20,916	–	46,189	49,124
Income tax recoverable	28(a)	4,134	7,871	7,112	12,872
Time deposits	15	–	129,603	141,343	118,155
Restricted cash	21(a)	22,246	47,775	79,342	74,093
Cash and cash equivalents	21(a)	194,466	104,758	111,191	94,522
		1,471,842	1,849,316	1,839,486	1,756,932
Current liabilities					
Trade and other payables	22	505,396	614,025	631,978	598,673
Contract liabilities	19(b)	472,207	743,232	652,999	614,790
Bank loans	23	13,356	31,703	17,225	41,142
Lease liabilities	24	15,660	7,058	2,394	3,553
Redemption liabilities	25	1,456,113	1,572,602	1,698,768	1,799,423
Income tax payable	28(a)	2,755	615	832	899
Provisions	29	13,339	14,478	15,179	16,392
		2,478,826	2,983,713	3,019,375	3,074,872
Net current liabilities		**(1,006,984)**	**(1,134,397)**	**(1,179,889)**	**(1,317,940)**
Total assets less current liabilities		**(546,925)**	**(833,944)**	**(1,013,057)**	**(1,149,777)**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
(Expressed in RMB)

		As at December 31			As at September 30
	Note	**2022**	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Bank loans	*23*	43,480	51,013	44,303	37,871
Lease liabilities	*24*	41,556	6,379	2,899	2,401
Deferred income	*26*	13,380	2,300	5,500	5,850
		98,416	59,692	52,702	46,122
NET LIABILITIES		**(645,341)**	**(893,636)**	**(1,065,759)**	**(1,195,899)**
CAPITAL AND RESERVES					
Share capital	*30(c)*	391,086	391,086	391,086	391,086
Reserves	*30(d)*	(1,044,002)	(1,283,303)	(1,450,626)	(1,581,300)
Total deficit attributable to equity shareholders of the Company		**(652,916)**	**(892,217)**	**(1,059,540)**	**(1,190,214)**
Non-controlling interests		7,575	(1,419)	(6,219)	(5,685)
TOTAL DEFICIT		(645,341)	(893,636)	(1,065,759)	(1,195,899)

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

	Note	As at December 31			As at September 30
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	11	76,444	92,832	90,883	86,569
Right-of-use assets	12	11,520	11,281	11,042	10,863
Intangible assets	13	2,246	3,633	3,535	3,086
Financial assets measured at amortised cost	14	3,487	3,453	–	–
Time deposits	15	223,469	103,557	21,208	30,364
Investments in subsidiaries	16	281,366	279,817	301,444	309,843
Prepayments	17(b)	–	60	4	78
		598,532	494,633	428,116	440,803
Current assets					
Inventories	18	400,523	485,775	652,670	523,918
Trade and other receivables	17(a)	573,630	448,068	516,219	665,948
Contract assets	19(a)	23,019	45,403	43,357	51,316
Prepayments	17(b)	15,125	109,253	28,427	83,884
Financial assets measured at amortised cost	14	–	–	3,419	–
Financial assets measured at fair value through profit or loss	20	6,855	–	46,189	44,604
Tax recoverable		442	949	949	4,606
Time deposits	15	–	118,303	109,333	85,405
Restricted cash	21(a)	3,592	10,745	48,238	47,950
Cash and cash equivalents	21(a)	44,006	48,619	32,468	41,365
		1,067,192	1,267,115	1,481,269	1,548,996
Current liabilities					
Trade and other payables	22	258,344	233,987	376,581	402,612
Contract liabilities	19(b)	262,192	369,910	389,022	394,720
Bank loans	23	3,344	31,703	17,225	18,133
Redemption liabilities	25	1,456,113	1,572,602	1,698,768	1,799,423
Provisions	29	9,719	12,959	14,385	14,837
		1,989,712	2,221,161	2,495,981	2,629,725
Net current liabilities		**(922,520)**	**(954,046)**	**(1,014,712)**	**(1,080,729)**
Total assets less current liabilities		**(323,988)**	**(459,413)**	**(586,596)**	**(639,926)**
Non-current liabilities					
Bank loans	23	43,480	51,013	44,303	37,871
Deferred income	26	13,380	2,300	5,500	5,850
		56,860	53,313	49,803	43,721
NET LIABILITIES		**(380,848)**	**(512,726)**	**(636,399)**	**(683,647)**
CAPITAL AND RESERVES					
Share capital	30(c)	391,086	391,086	391,086	391,086
Reserves	30(d)	(771,934)	(903,812)	(1,027,485)	(1,074,733)
TOTAL DEFICIT		**(380,848)**	**(512,726)**	**(636,399)**	**(683,647)**

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company							
		Share capital	Capital reserve	Share-based payment reserve	Exchange reserve	Accumulated losses	Total	Non-controlling interests	Total deficit
		RMB'000 (note 30(c))	RMB'000 (note 30(d)(i))	RMB'000 (note 30(d)(ii))	RMB'000 (note 30(d)(iii))	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2022		360,000	(327,667)	4,358	31	(483,315)	(446,593)	(1,195)	(447,788)
Changes in deficit for 2022:									
Loss for the year		–	–	–	–	(209,338)	(209,338)	(230)	(209,568)
Other comprehensive income		–	–	–	(4)	–	(4)	–	(4)
Total comprehensive income		–	–	–	(4)	(209,338)	(209,342)	(230)	(209,572)
Equity settled share-based payment expenses	27	–	–	3,019	–	–	3,019	–	3,019
Recognition of redemption liabilities	25	–	(278,200)	–	–	–	(278,200)	–	(278,200)
Capital contributions	30(c)	31,086	247,114	–	–	–	278,200	–	278,200
Capital injection in subsidiaries from non-controlling shareholders		–	–	–	–	–	–	9,000	9,000
Balance at December 31, 2022		391,086	(358,753)	7,377	27	(692,653)	(652,916)	7,575	(645,341)
Balance at January 1, 2023		391,086	(358,753)	7,377	27	(692,653)	(652,916)	7,575	(645,341)
Changes in deficit for 2023:									
Loss for the year		–	–	–	–	(241,715)	(241,715)	101	(241,614)
Other comprehensive income		–	–	–	(8)	–	(8)	–	(8)
Total comprehensive income		–	–	–	(8)	(241,715)	(241,723)	101	(241,622)
Equity settled share-based payment expenses	27	–	–	2,327	–	–	2,327	–	2,327
Acquisition of non-controlling interests		–	95	–	–	–	95	(9,095)	(9,000)
Balance at December 31, 2023		391,086	(358,658)	9,704	19	(934,368)	(892,217)	(1,419)	(893,636)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company							
		Share capital	Capital reserve	Share-based payment reserve	Exchange reserve	Accumulated losses	Total	Non-controlling interests	Total deficit
		RMB'000 (note 30(c))	RMB'000 (note 30(d)(i))	RMB'000 (note 30(d)(ii))	RMB'000 (note 30(d)(iii))	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2024		391,086	(358,658)	9,704	19	(934,368)	(892,217)	(1,419)	(893,636)
Changes in deficit for 2024:									
Loss for the year		–	–	–	–	(168,958)	(168,958)	(9,100)	(178,058)
Other comprehensive income		–	–	–	194	–	194	–	194
Total comprehensive income		–	–	–	194	(168,958)	(168,764)	(9,100)	(177,864)
Equity settled share-based payment expenses	27	–	–	1,441	–	–	1,441	–	1,441
Capital injection in subsidiaries from non-controlling shareholders	13	–	–	–	–	–	–	4,300	4,300
Balance at December 31, 2024		391,086	(358,658)	11,145	213	(1,103,326)	(1,059,540)	(6,219)	(1,065,759)
Balance at January 1, 2025		391,086	(358,658)	11,145	213	(1,103,326)	(1,059,540)	(6,219)	(1,065,759)
Changes in deficit for the nine months ended September 30, 2025:									
Loss for the period		–	–	–	–	(135,005)	(135,005)	534	(134,471)
Other comprehensive income		–	–	–	(240)	–	(240)	–	(240)
Total comprehensive income		–	–	–	(240)	(135,005)	(135,245)	534	(134,711)
Equity settled share-based payment expenses	27	–	–	4,571	–	–	4,571	–	4,571
Balance at September 30, 2025		391,086	(358,658)	15,716	(27)	(1,238,331)	(1,190,214)	(5,685)	(1,195,899)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

(Expressed in RMB)

		Attributable to equity shareholders of the Company							
	Note	Share capital	Capital reserve	Share-based payment reserve	Exchange reserve	Accumulated losses	Total	Non-controlling interests	Total deficit
		RMB'000 (note 30(c))	RMB'000 (note 30(d)(i))	RMB'000 (note 30(d)(ii))	RMB'000 (note 30(d)(iii))	RMB'000	RMB'000	RMB'000	RMB'000
(unaudited)									
Balance at January 1, 2024		391,086	(358,658)	9,704	19	(934,368)	(892,217)	(1,419)	(893,636)
Changes in deficit for the nine months ended September 30, 2024:									
Loss for the period		–	–	–	–	(135,426)	(135,426)	(5,923)	(141,349)
Other comprehensive income		–	–	–	51	–	51	–	51
Total comprehensive income		–	–	–	51	(135,426)	(135,375)	(5,923)	(141,298)
Equity settled share-based payment expenses	27	–	–	1,387	–	–	1,387	–	1,387
Capital injection in subsidiaries from non-controlling shareholders	13	–	–	–	–	–	–	4,300	4,300
Balance at September 30, 2024		391,086	(358,658)	11,091	70	(1,069,794)	(1,026,205)	(3,042)	(1,029,247)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED CASH FLOW STATEMENTS
(Expressed in RMB)

	Note	Year ended December 31			Nine months ended September 30	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Operating activities						
Cash used in operations	*21(b)*	(93,635)	(90,874)	(10,650)	(65,685)	(29,031)
Income tax (paid)/refund		(626)	(6,110)	(161)	1,276	(6,257)
Net cash used in operating activities		**(94,261)**	**(96,984)**	**(10,811)**	**(64,409)**	**(35,288)**
Investing activities						
Payment for purchase of property, plant and equipment and intangible assets		(105,769)	(22,359)	(13,264)	(8,586)	(3,016)
Proceeds from disposal of property, plant and equipment and intangible assets		1,066	1,409	3,336	1,942	84
Payment for purchase of land use rights		(4,938)	–	–	–	–
Payment for purchase of wealth management products		(154,180)	(95,000)	(157,796)	(120,840)	(183,257)
Proceeds from disposal of wealth management products		162,549	116,563	113,454	90,455	171,432
Proceeds from maturity of PRC treasury bonds		–	–	–	–	3,306
Payment for purchase of time deposits with maturity over three months		(190,000)	(103,017)	(33,968)	(20,067)	(85,169)
Proceeds from disposal of time deposits with maturity over three months		175,701	100,375	139,744	139,616	101,793
Interest received		3,183	3,977	3,372	2,882	911
Net cash (used in)/ generated from investing activities		**(112,388)**	**1,948**	**54,878**	**85,402**	**6,084**

CONSOLIDATED CASH FLOW STATEMENTS (CONTINUED)
(Expressed in RMB)

	Note	Year ended December 31			Nine months ended September 30	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Financing activities						
Proceeds from bank loans	21(c)	56,760	39,728	10,500	3,000	26,000
Repayment of bank loans	21(c)	–	(13,860)	(31,678)	(30,713)	(8,501)
Proceeds from shares issued	30(c)	278,200	–	–	–	–
Capital injection from non-controlling shareholders		9,000	–	–	–	–
Payment for acquisition of non-controlling interests		–	(3,013)	(5,987)	(5,987)	–
Payment of capital element of lease liabilities	21(c)	(9,329)	(14,082)	(6,280)	(5,491)	(2,813)
Payment of interest element of lease liabilities	21(c)	(1,466)	(1,978)	(452)	(388)	(215)
Interest of bank loans paid	21(c)	(1,316)	(2,813)	(2,704)	(2,100)	(1,574)
Payment of listing expenses		–	–	–	–	(862)
Net cash generated from/(used in) financing activities		**331,849**	**3,982**	**(36,601)**	**(41,679)**	**12,035**
Net increase/(decrease) in cash and cash equivalents		125,200	(91,054)	7,466	(20,686)	(17,169)
Cash and cash equivalents at January 1		68,878	194,466	104,758	104,758	111,191
Effect of foreign exchange rate changes		388	1,346	(1,033)	(2,179)	500
Cash and cash equivalents at December 31/ September 30	21(a)	**194,466**	**104,758**	**111,191**	**81,893**	**94,522**

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

Zhejiang Galaxis Technology Group Co., Ltd. (浙江凱樂士科技集團股份有限公司, formerly known as 浙江凱樂士科技有限公司, the "Company") was established in the People's Republic of China (the "PRC") on October 20, 2016 as a limited liability company under the Companies laws of the PRC. The Company was converted into a joint stock limited liability company on July 13, 2021.

The Company and its subsidiaries (together, "the Group") are principally engaged in the research and development, production of logistics robots and intelligent logistics equipment and systems.

The statutory financial statements of the Company for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Zhejiang Puhua Certified Public Accountants Co., Ltd. (浙江普華會計師事務所有限公司).

At the date of this report, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

			Proportion of ownership interest			
Company Name	**Place and date of incorporation/ establishment**	**Particulars of registered and paid-up capital**	**Directly held by the Company**	**Indirectly held by the Company**	**Name of statutory auditor**	**Principal activities**
Guangdong Galaxis Jiadi Technology Co., Ltd. 廣東凱樂仕佳的科技有限公司 *(a)(d)*	PRC December 31, 2021	RMB10,000,000/ RMB10,000,000	57%	–	2022: Guangdong Mingde Pu Hua Certified Public Accountants Firm 廣東明德普華會計師事務所(普通合夥) 2023 & 2024: Dongguan Baicheng Certified Public Accountants (General Partnership) 東莞市佰誠會計師事務所(普通合夥)	Sales of equipment and provision of services
Anhui Galaxis Technology Co., Ltd. 安徽凱樂仕科技有限公司 *(a)(d)*	PRC March 01, 2022	RMB50,000,000/ RMB50,000,000	100%	–	2022: Wuhu Hengsheng Certified Public Accountants 蕪湖恒盛會計師事務所 2023: Anhui Qiandaxin Accounting Firm 安徽謙達信會計師事務所(普通合夥) 2024: Anhui Zhencheng Certified Public Accountants Co., Ltd. 安徽振誠會計師事務所有限公司	Research and development, production and sales of logistics robot and provision of services
Zhejiang Galaxis International Trade Co., Ltd. 浙江凱樂士國際貿易有限公司 *(a)(b)*	PRC July 20, 2022	RMB10,000,000/ Nil	100%	–	NA	Sales of logistics robot and provision of services
Shenzhen Galaxis Jiechuangjia Technology Co., Ltd. 深圳凱樂仕捷創佳科技有限公司 *(a)(d)*	PRC December 16, 2020	RMB10,000,000/ RMB7,000,000	70%	–	2022: Shenzhen Huazhongjie Certified Public Accountants (General Partnership) 深圳華眾傑會計師事務所(普通合夥) 2023: Anhui Qiandaxin Accounting Firm 安徽謙達信會計師事務所(普通合夥) 2024: Anhui Zhencheng Certified Public Accountants Co., Ltd. 安徽振誠會計師事務所有限公司	Sales of logistics robot and provision of services

Company Name	Place and date of incorporation/ establishment	Particulars of registered and paid-up capital	Proportion of ownership interest		Name of statutory auditor	Principal activities
			Directly held by the Company	Indirectly held by the Company		
Wuxi Galaxis Technology Co., Ltd. 無錫凱樂士科技有限公司 *(a)(c)(d)*	PRC June 23, 2014	RMB50,000,000/ RMB50,000,000	100%	–	2022: Wuhan Zhidao United Certified Public Accountants (General Partnership) 武漢致道聯合會計師事務所(普通合夥) 2023: Zhejiang Puhua Certified Public Accountants Co., Ltd. 浙江普華會計師事務所有限公司 2024: NA	Research and development of tote/pallet robot and provision of subsystem planning solutions
Hubei Galaxis Tongda Technology Co., Ltd. 湖北凱樂仕通達科技有限公司 *(a)(d)*	PRC January 16, 2009	RMB100,000,000/ RMB100,000,000	100%	–	2022 & 2023 & 2024: Hubei Tiandao Certified Public Accountants Co., Ltd. 湖北天道會計師事務所有限公司	Sales of logistics robot and provision of services and research and development of software

Notes:

(a) The official name of this entity is in Chinese. The English translation is for identification purpose only. The company was registered as a limited liability company under the PRC Law.

(b) As of the date of this report, no statutory financial statements have been prepared for these entities for the Track Record Period.

(c) As of the date of this report, no statutory financial statements have been prepared for the entity for the year ended December 31, 2024.

(d) This entity prepared the financial statements in accordance with the Accounting Standards for Business Enterprise applicable to the enterprise in the PRC issued by Ministry of Finance of the PRC.

All companies comprising the Group have adopted December 31 as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information are set out in note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards throughout the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in note 36.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at September 30, 2025, the Group has net liabilities of RMB1,195.9 million and net current liabilities of RMB1,317.9 million, which are primarily due to the liabilities arising from redemption liabilities (see note 25) as current liabilities. The preferential rights will be waived upon a qualified Initial Public Offering of the Company and the redemption liabilities, amounting to RMB1,799.4 million as at September 30, 2025, will then be reclassified from liabilities to equity. Pursuant to the shareholders' resolution approved on June 25, 2025, the redemption rights have been terminated on the day prior to the first submission of the listing application subject to certain conditions (see note 25). Taken the above into consideration, and together with cashflow forecast for the twelve months from the date of this report prepared by management of the Group, the directors of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except for certain financial assets are stated at their fair value as explained in the accounting policies set out below:

– Financial assets measured at fair value through profit and loss (see note 2 (d)); and

– Bank acceptance notes receivable measured at FVOCI (recycling) (see note 2 (d)).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group is presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(h)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, are set out below.

Investments in debt and equity securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 31(d). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(s)(ii)(a)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

– Fair value through other comprehensive income ("FVOCI") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(h)(ii)):

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(t)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

– Plant and buildings	20-50 years
– Furniture	3-10 years
– Machinery and equipment	3-10 years
– Motor vehicles	3-5 years
– Electronic equipment	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress represents property, plant and equipment under construction, which is stated at cost less accumulated impairment losses. Capitalisation of construction in progress costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all of the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use.

(f) Intangible assets

Expenditure on research activities is recognized as an expense in the period in which it is incurred. Expenditure on development activities is capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalized includes the costs of materials, direct labor, and an appropriate proportion of overheads and borrowing costs, where applicable (see note 2(t)). Capitalized development costs are stated at cost less accumulated amortization and impairment losses (see note 2(h)(ii)). Other development expenditure is recognized as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(h)(ii)).

Expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

– Software	2-10 years
– Patents	10 years

The useful life of software was assessed based on the expected service life during which relevant software performs its desired functionality.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(g) and 2(h)(ii)).

The right-of-use asset is depreciated over the unexpired term of lease.

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policies applicable to investments in non-equity securities carried at amortised cost (see notes 2(d)(i), 2(s)(ii)(a) and 2(h)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognized the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses ("ECL"s) on:

– financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables); and

– contract assets (see note 2(j)).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

The Group considers a financial asset to be in default when:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Contract assets and contract liabilities

A contract asset is recognized when the Group recognizes revenue (see note 2(s)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 2(h)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 2(k)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see note 2(s)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also be recognized (see note 2(k)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(s)(ii)(a)).

(k) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 2(h)(i)).

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 2(h)(i)).

(m) Trade and other payables (other than refund liabilities)

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) Redemption liabilities

The Group's obligation to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the obligation to purchase is conditional on the counterparty exercising a right to redeem. The redemption liabilities are initially measured at the present value of the redemption amount and is reclassified from equity. Subsequently, the redemption liabilities are measured at amortised cost with changes in the carrying amount recognized in profit or loss.

The redemption liabilities are classified as current liabilities as some of the redemption events could occur at any time. The carrying amount of the redemption liabilities will be reclassified to equity upon a termination or expiry of the counterparty's redemption right.

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognized in accordance with note 2(t).

(p) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The fair values of share options and awarded shares granted to employees are recognized as employee costs with corresponding increases in share-based compensation reserve within equity. The fair values are measured at grant date using the (a) in respect of share options, Binomial Model, taking into account the terms and conditions upon which the options were granted; and (b) in respect of awarded shares, the fair value of the shares of the Company. Generally, service and non-market performance conditions are not taken into account when determining the fair value of share options or awarded shares. Market performance conditions are reflected within the fair value. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options or awarded shares, the total estimated fair values of the options and awarded shares are spread over the vesting period, taking into account the probability that the options and awarded shares will vest.

During the vesting period, the numbers of share options and awarded shares that are expected to vest are reviewed. Any resulting adjustments to the cumulative fair values recognized in prior years are charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with corresponding adjustments to the share-based compensation reserve.

Modifications of an equity-settled share-based payment arrangement are accounted for only if they are beneficial to the counterparty. If the fair value of the equity instruments granted has increased, then the incremental fair value at the date of modification is recognized in addition to the grant-date fair value. The incremental fair value is recognized over the remaining modified vesting period, whereas the balance of the grant-date fair value is recognized over the remaining original vesting period.

The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognized in the capital reserve until either the option is exercised (when it is included in the amount recognized in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognized when the underlying products are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

(s) Revenue and other income

Revenue is recognized when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(i) Revenue from contracts with customers

The Group principally generates its revenue from the sales of robots and systems and after-sales service and others.

(a) Sales of robots and systems

Revenue from the sales of robots and systems is recognized when the customer takes possession of and accepts the robots and systems. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers.

(b) After-sales service and others

Of the revenue from after-sales service, (i) maintenance services and technical supporting service are recognized on a straight-line basis over the contractual service period, (ii) related spare parts sales and system optimization service are recognized when the goods/services are delivered. Revenue from others, primarily include goods/scrap material and software sales and provision of consulting services, is generally recognized when the goods/services are delivered.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are initially recognized as deferred income at fair value and then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences arose from translation of foreign operations are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(v) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 31 contain information about the assumptions and their risk factors relating to fair values of financial instruments. Other significant sources of estimation uncertainty and accounting judgments are as follows:

(i) Impairment of trade receivables

The Group's management determines the loss allowance for expected credit losses on trade receivables based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions. The Group's management reassesses the loss allowance at each reporting period end.

(ii) Net realizable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated distribution expenses and related taxes. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-downs and affect the Group's profit or loss and net asset value.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are providing sales of robots and systems and after-sales service and others.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15					
Disaggregated by major products or service lines					
Revenue from sales of robots and systems	628,831	539,771	702,752	330,710	541,223
Revenue from after-sales service and others	28,093	11,019	18,665	13,506	10,414
	656,924	550,790	721,417	344,216	551,637

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Disaggregation by timing of revenue recognition					
Point in time	642,847	540,391	704,631	332,564	542,994
Over time	14,077	10,399	16,786	11,652	8,643
	656,924	550,790	721,417	344,216	551,637

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 4(b)(i).

During the Track Record Period, the Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective year/period are as follows. Details of concentrations of credit risk of the Group are set out in note 31(a).

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Customer I	*	*	78,207	*	*
Customer II	*	*	74,779	*	*
Customer III	*	77,014	*	*	*
Customer IV	80,011	73,185	*	*	*
Customer V	96,443	*	*	*	*

* Represents that the amount of aggregate revenue from such customer is less than 10% of the total revenue for respective year/period.

The Group takes advantage of the practical expedient in paragraph 121 of IFRS 15 and does not disclose the remaining performance obligation as all of the Group's sale contracts have an original expected duration of less than 1 year.

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. The Group has one single operating segment and no further analysis of the single segment is presented.

(i) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

Revenues from external customers

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Chinese Mainland	579,739	514,314	616,501	320,955	510,121
Outside Chinese Mainland	77,185	36,476	104,916	23,261	41,516
	656,924	550,790	721,417	344,216	551,637

The non-current assets located outside Chinese Mainland are immaterial.

5 OTHER INCOME AND OTHER NET (LOSS)/GAIN

(a) Other income

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Government grants	6,732	18,856	10,743	4,844	4,080
Value-added tax credits	44	5	2,512	2,512	2,943
Tax refund	2,518	4,982	3,100	2,702	2,046
Insurance claims payment	850	5	65	–	–
Others	208	438	1,005	457	8
	10,352	24,286	17,425	10,515	9,077

(b) Other net (loss)/gain

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net realized and unrealized gains from financial assets measured at amortised cost	75	74	73	54	–
Net realized and unrealized gains from financial assets measured at fair value through profit or loss	378	539	1,740	1,412	997
Net loss on disposal of property, plant and equipment	(470)	(4,470)	(7)	(50)	(278)
Net foreign exchange gain/(loss)	392	2,273	(1,380)	(2,230)	710
Contractual liquidated damages from the early termination of lease contracts	(989)	(1,289)	–	–	–
Others	313	(1,207)	(316)	(54)	(529)
	(301)	(4,080)	110	(868)	900

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after (charging)/crediting:

(a) Net finance income

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest on bank loans	(1,392)	(2,825)	(2,694)	(2,073)	(1,560)
Interest on lease liabilities	(1,466)	(1,978)	(452)	(388)	(215)
Other interest	–	–	(303)	–	–
Finance costs	(2,858)	(4,803)	(3,449)	(2,461)	(1,775)
Less: interest expense capitalised into construction in progress	1,170	–	–	–	–
Interest income	6,092	11,097	7,675	6,021	3,533
	4,404	6,294	4,226	3,560	1,758

(b) Staff costs

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, wages and other benefits	179,509	200,564	155,448	116,013	114,240
Contributions to defined contribution retirement schemes	8,510	9,434	7,454	5,556	5,850
Equity-settled share-based payment expenses *(note 27)*	3,019	2,327	1,441	1,387	4,571
	191,038	212,325	164,343	122,956	124,661

Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government.

The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

All overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the countries/jurisdictions.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cost of inventories *(note 18)*	553,496	459,123	607,855	283,995	460,225
Depreciation charge					
– property, plant and equipment *(note 11)*	4,806	11,473	10,527	7,940	7,234
– right-of-use assets *(note 12)*	11,178	14,744	6,653	5,620	2,925
Amortization cost of intangible assets *(note 13)*	3,284	3,277	3,411	2,540	2,015
Increase in provisions *(note 29)*	15,750	9,185	7,025	3,177	4,886
Impairment loss recognized on property, plant and equipment *(note 11)*	–	7,086	–	–	–
Impairment loss/(reversal) on trade receivables and contract assets	6,444	8,804	22,306	2,864	(1,148)
Research and development expenses	94,554	85,364	61,995	44,754	48,113
Listing expenses	–	–	–	–	15,490

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Current tax					
Provision for the year/period	633	233	1,137	1,008	564

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Loss before taxation	(208,935)	(241,381)	(176,921)	(140,341)	(133,907)
Notional tax on loss before taxation, calculated at the rates applicable to profits in the entities concerned	(52,247)	(60,039)	(44,543)	(35,376)	(33,271)
Tax effects of:					
– Additional deduction on research and development expenses	(17,573)	(13,896)	(10,576)	(7,637)	(7,880)
– Preferential tax rate	12,448	18,002	14,183	8,998	7,924
– Non-deductible expenses	1,051	1,022	621	497	939
– Temporary differences and unused tax losses not recognized	57,177	55,152	44,256	36,077	33,336
– Utilization of tax losses previously not recognized	(223)	(8)	(2,804)	(1,551)	(484)
Actual tax expense	633	233	1,137	1,008	564

Notes:

(i) Income tax rate applies to the Group:

According to the Corporate Income Tax Law of China (the "Tax Law"), the Group's subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which qualify as High and New Technology Enterprise ("HNTE") are entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis.

For the Hong Kong subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for the Hong Kong subsidiary was calculated at the same basis in the Track Record Period.

Taxation for subsidiaries incorporated in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant countries.

(ii) An additional 75% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Income Tax Law and its relevant regulations before October 1, 2022 during the Track Record Period. And an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Income Tax Law and its relevant regulations after October 1, 2022.

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' emoluments as recorded in the Historical Financial Information are as follows:

	Year ended December 31, 2022						
	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments *(note)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
GU Chun Guang	–	299	–	38	337	–	337
SHEN Lu	–	346	–	16	362	–	362
YANG Yan	–	333	–	11	344	–	344
Independent Non-executive directors							
YANG Zhe	60	–	–	–	60	–	60
HU Jian Qiang	60	–	–	–	60	–	60
MO Rong	60	–	–	–	60	–	60
Non-executive directors							
LU Yi Yang	–	–	–	–	–	–	–
LI Qiu Yu	–	–	–	–	–	–	–
FENG Rui	–	–	–	–	–	–	–
Supervisors							
MA Lan (resigned on October 31, 2022)	–	–	–	–	–	–	–
LI Ying	–	–	–	–	–	–	–
CAI Ying	–	–	–	–	–	–	–
SHEN Yi Qun (appointed on November 1, 2022)	–	–	–	–	–	–	–
	180	978	–	65	1,223	–	1,223

	Year ended December 31, 2023						
	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments *(note)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
GU Chun Guang	–	306	–	50	356	–	356
SHEN Lu	–	342	–	14	356	–	356
YANG Yan	–	323	–	14	337	–	337
Independent Non-executive directors							
YANG Zhe	60	–	–	–	60	–	60
HU Jian Qiang	60	–	–	–	60	–	60
MO Rong	60	–	–	–	60	–	60
Non-executive directors							
LU Yi Yang	–	–	–	–	–	–	–
LI Qiu Yu	–	–	–	–	–	–	–
FENG Rui	–	–	–	–	–	–	–
Supervisors							
LI Ying	–	–	–	–	–	–	–
CAI Ying	–	–	–	–	–	–	–
SHEN Yi Qun	–	–	–	–	–	–	–
	180	971	–	78	1,229	–	1,229

	Year ended December 31, 2024						
	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments *(note)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
GU Chun Guang	–	565	–	43	608	–	608
SHEN Lu	–	293	–	15	308	–	308
YANG Yan	–	351	–	15	366	–	366
Independent Non-executive directors							
YANG Zhe (resigned on July 12, 2024)	55	–	–	–	55	–	55
HU Jian Qiang	60	–	–	–	60	–	60
MO Rong	60	–	–	–	60	–	60
XU Guang Wei (appointed on July 13, 2024)	5	–	–	–	5	–	5
Non-executive directors							
LU Yi Yang	–	–	–	–	–	–	–
LI Qiu Yu	–	–	–	–	–	–	–
FENG Rui (resigned on July 12, 2024)	–	–	–	–	–	–	–
DING Lan (appointed on July 13, 2024)	–	–	–	–	–	–	–
Supervisors							
LI Ying	–	–	–	–	–	–	–
CAI Ying	–	–	–	–	–	–	–
SHEN Yi Qun	–	–	–	–	–	–	–
	180	1,209	–	73	1,462	–	1,462

	Nine months ended September 30, 2025						
	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments *(note)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
GU Chun Guang	–	484	40	33	557	–	557
SHEN Lu	–	233	21	12	266	–	266
YANG Yan	–	292	26	11	329	–	329
BAI Hong Xing (appointed on June 4, 2025) *(i)*	–	501	44	32	577	179	756
Independent Non-executive directors							
HU Jian Qiang	45	–	–	–	45	–	45
MO Rong	45	–	–	–	45	–	45
LIU Ke Li (appointed on June 4, 2025)	15	–	–	–	15	–	15
XU Guang Wei (resigned on June 3, 2025)	30	–	–	–	30	–	30
Non-executive directors							
LU Yi Yang (resigned on June 3, 2025)	–	–	–	–	–	–	–
LI Qiu Yu	–	–	–	–	–	–	–
DING Lan	–	–	–	–	–	–	–
SHEN Qi (appointed on June 4, 2025)	–	–	–	–	–	–	–
Supervisors							
LI Ying (resigned on June 4, 2025)	–	–	–	–	–	–	–
CAI Ying (resigned on June 4, 2025)	–	–	–	–	–	–	–
SHEN Yi Qun (resigned on June 4, 2025)	–	–	–	–	–	–	–
	135	1,510	131	88	1,864	179	2,043

	Nine months ended September 30, 2024 (unaudited)						
	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments *(note)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
GU Chun Guang	–	401	–	32	433	–	433
SHEN Lu	–	216	–	11	227	–	227
YANG Yan	–	240	–	11	251	–	251
Independent Non-executive directors							
YANG Zhe (resigned on July 12, 2024)	45	–	–	–	45	–	45
HU Jian Qiang	45	–	–	–	45	–	45
MO Rong	45	–	–	–	45	–	45
XU Guang Wei (appointed on July 13, 2024)	–	–	–	–	–	–	–
Non-executive directors							
LU Yi Yang	–	–	–	–	–	–	–
LI Qiu Yu	–	–	–	–	–	–	–
FENG Rui (resigned on July 12, 2024)	–	–	–	–	–	–	–
DING Lan (appointed on July 13, 2024)	–	–	–	–	–	–	–
Supervisors							
LI Ying	–	–	–	–	–	–	–
CAI Ying	–	–	–	–	–	–	–
SHEN Yi Qun	–	–	–	–	–	–	–
	135	857	–	54	1,046	–	1,046

Note: These represent the estimated value of restricted shares and share option granted to the directors under the Group's share award scheme. The value of these share awards is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(p)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of shares granted, are disclosed in note 27.

During the Track Record Period, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 9 below as an inducement to join or upon joining the Group or as a compensation for loss of office.

(i) Dr. BAI Hong Xing was key management personnel of the Group and director of the Group (appointed on June 4, 2025) during the nine months ended September 30, 2025. The emoluments disclosed above include those services rendered by him as key management personnel and director.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the years ended December 31, 2022, 2023 and 2024, none of the five highest paid individuals are directors of the Company. During the nine months ended September 30, 2025, of the five individuals with the highest emoluments, two are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals are as follows:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries and other emoluments	3,320	3,242	3,071	2,191	1,584
Discretionary bonuses	32	203	188	168	139
Retirement scheme contributions	78	71	52	38	29
Equity-settled share-based payment expenses	400	444	346	300	634
	3,830	3,960	3,657	2,697	2,386

The emoluments of the five highest paid individuals are within the following bands:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	Number of individuals	Number of individuals	Number of individuals	Number of individuals	Number of individuals
				(unaudited)	
HK$ nil to HK$1,000,000	5	5	5	5	5

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share during the Track Record Period is based on the loss for the year/period attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue, calculated as follows:

(i) Loss attributable to ordinary equity shareholders of the Company

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Loss attributable to all equity shareholders of the Company	(209,338)	(241,715)	(168,958)	(135,426)	(135,005)
Allocation of loss for the year/period attributable to ordinary shares with redemption right *(note 25)*	142,392	169,614	118,559	95,029	94,733
Loss attributable to ordinary equity shareholders of the Company	(66,946)	(72,101)	(50,399)	(40,397)	(40,272)

(ii) Weighted average number of ordinary shares

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	'000	*'000*	*'000*	*'000* (unaudited)	*'000*
Issued ordinary shares at the beginning of the year/period	360,000	391,086	391,086	391,086	391,086
Effect of ordinary shares with redemption right *(note 25)*	(248,467)	(274,429)	(274,429)	(274,429)	(274,429)
Effect of issuance of shares *(note 30(c))*	5,124	–	–	–	–
Weighted average number of ordinary shares at the end of the year/period	116,657	116,657	116,657	116,657	116,657

(b) Diluted loss per share

During the Track Record Period, share options granted under employee incentive schemes (note 27) and ordinary shares with redemption right (note 25) were not included in the calculation of diluted loss per share because their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore the amounts of diluted loss per share were the same as basic loss per share.

11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Plant and buildings	Furniture	Machinery and equipment	Electronic equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At January 1, 2022	320	1,389	7,999	7,532	1,296	14,143	32,679
Additions	17,377	1,187	15,654	3,716	760	61,791	100,485
Transfers from construction in progress	62,477	–	–	–	–	(62,477)	–
Disposals	–	(10)	(2,233)	(109)	–	–	(2,352)
At December 31, 2022 and at January 1, 2023	80,174	2,566	21,420	11,139	2,056	13,457	130,812
Additions	2,728	2,198	294	2,771	736	23,434	32,161
Transfers from construction in progress	14,526	–	18,149	55	–	(32,730)	–
Disposals	(379)	(876)	(5,192)	(5,294)	(268)	–	(12,009)
At December 31, 2023 and at January 1, 2024	97,049	3,888	34,671	8,671	2,524	4,161	150,964
Additions	1,593	146	592	249	183	783	3,546
Transfers from construction in progress	–	–	1,122	25	–	(1,147)	–
Disposals	(2,754)	(195)	(773)	(791)	(300)	–	(4,813)
At December 31, 2024 and at January 1, 2025	95,888	3,839	35,612	8,154	2,407	3,797	149,697
Additions	–	80	25	577	–	292	974
Transfers from construction in progress	292	25	2,243	–	–	(2,560)	–
Disposals	–	(24)	(1,008)	(127)	–	–	(1,159)
At September 30, 2025	96,180	3,920	36,872	8,604	2,407	1,529	149,512
Accumulated depreciation:							
At January 1, 2022	(21)	(972)	(2,635)	(5,287)	(853)	–	(9,768)
Charge for the year	(949)	(345)	(1,665)	(1,529)	(318)	–	(4,806)
Written back on disposals	–	5	923	11	–	–	939
At December 31, 2022 and at January 1, 2023	(970)	(1,312)	(3,377)	(6,805)	(1,171)	–	(13,635)
Charge for the year	(5,625)	(717)	(2,891)	(1,821)	(419)	–	(11,473)
Written back on disposals	46	547	1,813	3,909	62	–	6,377
At December 31, 2023 and at January 1, 2024	(6,549)	(1,482)	(4,455)	(4,717)	(1,528)	–	(18,731)
Charge for the year	(4,371)	(740)	(3,135)	(1,801)	(480)	–	(10,527)
Written back on disposals	924	136	233	447	114	–	1,854
At December 31, 2024 and at January 1, 2025	(9,996)	(2,086)	(7,357)	(6,071)	(1,894)	–	(27,404)
Charge for the period	(3,263)	(490)	(2,256)	(954)	(271)	–	(7,234)
Written back on disposals	–	21	672	114	–	–	807
At September 30, 2025	(13,259)	(2,555)	(8,941)	(6,911)	(2,165)	–	(33,831)
Impairment:							
At January 1, 2022 and January 1, 2023	–	–	–	–	–	–	–
Additions	–	(23)	(6,977)	(86)	–	–	(7,086)
At December 31, 2023, December 31, 2024 and September 30, 2025	–	(23)	(6,977)	(86)	–	–	(7,086)
Net book value:							
At December 31, 2022	79,204	1,254	18,043	4,334	885	13,457	117,177
At December 31, 2023	90,500	2,383	23,239	3,868	996	4,161	125,147
At December 31, 2024	85,892	1,730	21,278	1,997	513	3,797	115,207
At September 30, 2025	82,921	1,342	20,954	1,607	242	1,529	108,595

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group's property, plant and equipment and land use right with carrying amount of RMB95,751,000, RMB92,048,000, RMB88,346,000 and RMB85,569,000 were pledged as collateral for the Group's bank loans (note 23(a)), respectively.

For the year ended December 31,2023, the Group recorded impairment losses on property, plant and equipment of RMB7,086,000 due to the full impairment of trial equipment related to certain research and development initiatives which the Group determined to suspend.

The Company

	Plant and buildings	Furniture	Machinery and equipment	Electronic equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At January 1, 2022	–	303	4,545	1,047	154	14,143	20,192
Additions	–	152	–	244	89	59,048	59,533
Transfers from construction in progress	62,477	–	–	–	–	(62,477)	–
Disposals	–	(10)	(1,093)	(66)	–	–	(1,169)
At December 31, 2022 and at January 1, 2023	62,477	445	3,452	1,225	243	10,714	78,556
Additions	795	2,021	1,217	608	15	17,254	21,910
Transfers from construction in progress	14,526	–	11,174	55	–	(25,755)	–
Disposals	–	(88)	(1,342)	(274)	–	–	(1,704)
At December 31, 2023 and at January 1, 2024	77,798	2,378	14,501	1,614	258	2,213	98,762
Additions	840	93	3,375	194	40	202	4,744
Transfers from construction in progress	–	–	1,122	25	–	(1,147)	–
Disposals	–	(11)	(521)	(141)	–	–	(673)
At December 31, 2024 and at January 1, 2025	78,638	2,460	18,477	1,692	298	1,268	102,833
Additions	–	35	–	242	–	292	569
Transfers from construction in progress	292	–	1,268	–	–	(1,560)	–
Disposals	–	(5)	–	(30)	–	–	(35)
At September 30, 2025	78,930	2,490	19,745	1,904	298	–	103,367
Accumulated depreciation:							
At January 1, 2022	–	(209)	(1,329)	(695)	(46)	–	(2,279)
Charge for the year	–	(108)	(473)	(180)	(31)	–	(792)
Written back on disposals	–	5	923	31	–	–	959
At December 31, 2022 and at January 1, 2023	–	(312)	(879)	(844)	(77)	–	(2,112)
Charge for the year	(3,280)	(310)	(738)	(238)	(47)	–	(4,613)
Written back on disposals	–	70	477	248	–	–	795
At December 31, 2023 and at January 1, 2024	(3,280)	(552)	(1,140)	(834)	(124)	–	(5,930)
Charge for the year	(3,718)	(482)	(1,561)	(382)	(57)	–	(6,200)
Written back on disposals	–	10	36	134	–	–	180
At December 31, 2024 and at January 1, 2025	(6,998)	(1,024)	(2,665)	(1,082)	(181)	–	(11,950)
Charge for the period	(2,774)	(361)	(1,424)	(289)	(34)	–	(4,882)
Written back on disposals	–	5	–	29	–	–	34
At September 30, 2025	(9,772)	(1,380)	(4,089)	(1,342)	(215)	–	(16,798)
Net book value:							
At December 31, 2022	62,477	133	2,573	381	166	10,714	76,444
At December 31, 2023	74,518	1,826	13,361	780	134	2,213	92,832
At December 31, 2024	71,640	1,436	15,812	610	117	1,268	90,883
At September 30, 2025	69,158	1,110	15,656	562	83	–	86,569

12 RIGHT-OF-USE ASSETS

The Group

	Land use rights	Plant and buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1, 2022	11,937	19,155	31,092
Additions	4,938	59,875	64,813
Early termination of lease term	–	(7,638)	(7,638)
Expiration of lease term	–	(2,975)	(2,975)
At December 31, 2022 and January 1, 2023	16,875	68,417	85,292
Additions	–	3,051	3,051
Early termination of lease term	–	(42,448)	(42,448)
Expiration of lease term	–	(6,210)	(6,210)
At December 31, 2023 and January 1, 2024	16,875	22,810	39,685
Additions	–	2,632	2,632
Early termination of lease term	–	(13,236)	(13,236)
Expiration of lease term	–	(1,904)	(1,904)
At December 31, 2024 and at January 1, 2025	16,875	10,302	27,177
Additions	–	3,646	3,646
Early termination of lease term	–	(223)	(223)
Expiration of lease term	–	(2,269)	(2,269)
At September 30, 2025	16,875	11,456	28,331
Accumulated depreciation:			
At January 1, 2022	(179)	(7,423)	(7,602)
Charge for the year	(308)	(10,870)	(11,178)
Early termination of lease term	–	2,651	2,651
Expiration of lease term	–	2,975	2,975
At December 31, 2022 and January 1, 2023	(487)	(12,667)	(13,154)
Charge for the year	(358)	(14,386)	(14,744)
Early termination of lease term	–	11,408	11,408
Expiration of lease term	–	6,210	6,210
At December 31, 2023 and January 1, 2024	(845)	(9,435)	(10,280)
Charge for the year	(358)	(6,295)	(6,653)
Early termination of lease term	–	8,496	8,496
Expiration of lease term	–	1,904	1,904
At December 31, 2024 and at January 1, 2025	(1,203)	(5,330)	(6,533)
Charge for the period	(268)	(2,657)	(2,925)
Early termination of lease term	–	56	56
Expiration of lease term	–	2,269	2,269
At September 30, 2025	(1,471)	(5,662)	(7,133)
Net book value:			
At December 31, 2022	16,388	55,750	72,138
At December 31, 2023	16,030	13,375	29,405
At December 31, 2024	15,672	4,972	20,644
At September 30, 2025	15,404	5,794	21,198

The Company

	Land use rights	Plant and buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1, 2022	11,937	851	12,788
Expiration of lease term	–	(851)	(851)
At December 31, 2022, December 31, 2023, December 31, 2024 and September 30, 2025	11,937	–	11,937

	Land use rights	Plant and buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
Accumulated depreciation:			
At January 1, 2022	(179)	(736)	(915)
Charge for the year	(238)	(115)	(353)
Expiration of lease term	–	851	851
At December 31, 2022 and January 1, 2023	(417)	–	(417)
Charge for the year	(239)	–	(239)
At December 31, 2023 and January 1, 2024	(656)	–	(656)
Charge for the year	(239)	–	(239)
At December 31, 2024 and at January 1, 2025	(895)	–	(895)
Charge for the period	(179)	–	(179)
At September 30, 2025	(1,074)	–	(1,074)
Net book value:			
At December 31, 2022	11,520	–	11,520
At December 31, 2023	11,281	–	11,281
At December 31, 2024	11,042	–	11,042
At September 30, 2025	10,863	–	10,863

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ownership interests in leasehold land held for own use, carried at depreciated cost in the PRC, with remaining lease term of:				
– between 10 and 50 years *(note (i))*	16,388	16,030	15,672	15,404
Other properties leased for own use, carried at depreciated cost *(note (ii))*	55,750	13,375	4,972	5,794
	72,138	29,405	20,644	21,198

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets *(note 12)*	11,178	14,744	6,653	5,620	2,925
Interest on lease liabilities *(note 6(a))*	1,466	1,978	452	388	215
Expenses relating to short-term leases	11,243	9,465	14,608	9,644	1,970
COVID-19-Related rent concessions received *(note (iii))*	166	–	–	–	–
	24,053	26,187	21,713	15,652	5,110

During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, additions to right-of-use assets were RMB64,813,000, RMB3,051,000, RMB2,632,000, and RMB3,646,000, respectively. This amount primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 21(d) and 24, respectively.

Notes:

(i) Ownership interests in leasehold land held for own use

The Group obtained land use rights in Zhejiang Province, PRC in 2021, with the amortization period spanning 50 years commencing from the lease start date; a separate land use rights acquisition in Anhui Province, PRC in 2022 carries an amortization term of 43 years from the respective lease commencement date.

(ii) Other properties leased for own use

The Group has obtained the right to use the plant and buildings as its office and business operation through tenancy agreements. The leases typically run for an initial period of 2 to 5 years.

(iii) COVID-19-related concessions

As disclosed in note 2(g), the Group has applied the practical expedient to all eligible rent concessions received by the Group during the Track Record Period.

13 INTANGIBLE ASSETS

The Group

	Software and patents
	RMB'000
Cost:	
At January 1, 2022	28,786
Additions	135
At December 31, 2022 and January 1, 2023	28,921
Additions	2,295
Disposals	(147)
At December 31, 2023 and January 1, 2024	31,069
Additions*	5,182
At December 31, 2024 and January 1, 2025	36,251
Additions	358
At September 30, 2025	36,609
Accumulated amortisation:	
At January 1, 2022	(16,756)
Charge for the year	(3,284)
At December 31, 2022 and January 1, 2023	(20,040)
Charge for the year	(3,277)
Disposals	62
At December 31, 2023 and January 1, 2024	(23,255)
Charge for the year	(3,411)
At December 31, 2024 and January 1, 2025	(26,666)
Charge for the period	(2,015)
At September 30, 2025	(28,681)
Net book value:	
At December 31, 2022	8,881
At December 31, 2023	7,814
At December 31, 2024	9,585
At September 30, 2025	7,928

* The additions of intangible assets in the year ended December 31, 2024 included several patents injected in subsidiaries from non-controlling shareholders, amounting to RMB4,300,000.

The Company

	Software and patents
	RMB'000
Cost:	
At January 1, 2022	2,935
Additions	92
At December 31, 2022 and January 1, 2023	3,027
Additions	2,206
At December 31, 2023 and January 1, 2024	5,233
Additions	882
At December 31, 2024 and January 1, 2025	6,115
Additions	358
At September 30, 2025	6,473
Accumulated amortisation:	
At January 1, 2022	(486)
Charge for the year	(295)
At December 31, 2022 and January 1, 2023	(781)
Charge for the year	(819)
At December 31, 2023 and January 1, 2024	(1,600)
Charge for the year	(980)
At December 31, 2024 and January 1, 2025	(2,580)
Charge for the period	(807)
At September 30, 2025	(3,387)
Net book value:	
At December 31, 2022	2,246
At December 31, 2023	3,633
At December 31, 2024	3,535
At September 30, 2025	3,086

The amortisation charge for the Track Record Period is included in administrative expenses, selling and marketing expenses, cost of sales, and research and development expenses in the consolidated statements of profit or loss and other comprehensive income.

14 FINANCIAL ASSETS MEASURED AT AMORTISED COST

The Group and the Company

	As at December 31						As at September 30	
	2022		2023		2024		2025	
	RMB'000		*RMB'000*		*RMB'000*		*RMB'000*	
	current	*non-current*	*current*	*non-current*	*current*	*non-current*	*current*	*non-current*
PRC treasury bonds	–	3,487	–	3,453	3,419	–	–	–

PRC treasury bonds matured on January 10, 2025, and bore a fixed coupon rate of 3.23% and effective interest rates of 2.11% per annum, with the aggregated principal amounted to RMB3,305,700 as at December 31, 2022, 2023 and 2024. The bond was held as a security pledge for the Group's guarantee letters as at December 31, 2022, 2023 and 2024.

15 TIME DEPOSITS

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Time deposits	–	129,603	141,343	118,155
Non-current				
Time deposits	253,496	134,574	21,208	30,364

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Time deposits	–	118,303	109,333	85,405
Non-current				
Time deposits	223,469	103,557	21,208	30,364

The time deposits with maturity over three months but within one year are presented in the current portion, while the time deposits with maturity over one year are presented in the non-current portion.

As at December 31, 2022, 2023 and 2024 and September 30, 2025, certain of the Group's time deposits with an aggregate value of RMB51,442,000, RMB89,977,000, RMB54,855,000 and RMB31,105,000 were pledged to the banks to secure the issuance of bank acceptance bills and guarantee letters.

16 INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries, at cost	275,405	284,064	304,156	309,156
Deemed investments arising from share-based payments	5,961	7,753	9,288	12,687
Less: impairment losses *(i)*	–	(12,000)	(12,000)	(12,000)
	281,366	279,817	301,444	309,843

Further details of the principal subsidiaries of the Group are set out in Note 1.

(i) The Company fully impaired investments in one subsidiary with relevant impairment of RMB12 million recognized in year ended December 31,2023.

17 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables	6,261	16,166	17,085	20,945
Trade receivables				
– Related parties *(note 34(c))*	23,732	26,786	8,501	3,053
– Third parties	276,004	221,920	253,307	302,496
Gross amount of trade and bills receivables	305,997	264,872	278,893	326,494
Less: loss allowance *(note 31(a))*	(8,975)	(15,899)	(35,909)	(34,568)
	297,022	248,973	242,984	291,926
Bank acceptance notes receivable, carried at FVOCI	31,706	3,578	1,600	12,176
Pledge and guarantee deposits*	22,315	32,555	26,686	27,552
Value added tax recoverable and receivables	11,541	26,731	26,554	43,988
Other receivables	3,200	1,888	1,923	3,764
	68,762	64,752	56,763	87,480
	365,784	313,725	299,747	379,406

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables	5,151	13,968	11,962	18,890
Trade receivables				
– Subsidiaries	54,502	18,988	10,574	41,774
– Related parties	–	5,588	–	–
– Third parties	152,835	114,693	117,016	162,434
Gross amount of trade and bills receivables	212,488	153,237	139,552	223,098
Less: loss allowance	(3,783)	(5,452)	(14,328)	(20,542)
	208,705	147,785	125,224	202,556
Bank acceptance notes receivable, carried at FVOCI	28,236	3,206	330	9,998
Pledge and guarantee deposits*	9,591	20,472	20,974	21,054
Value added tax recoverable and receivables	–	4,205	2,547	10,782
Other receivables				
– Subsidiaries	326,032	271,328	366,554	421,208
– Third parties	1,066	1,072	590	350
	364,925	300,283	390,995	463,392
	573,630	448,068	516,219	665,948

* Pledge and guarantee deposits mainly represented tender deposits and performance deposits which will be released to the Group upon the award and the completion of the relevant projects as the case may be.

Ageing analysis

As at the Track Record Period, the ageing analysis of trade and bills receivables, based on the date of revenue recognition and net of loss allowance, is as follows:

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	193,495	129,451	182,324	234,956
Between 1 year and 2 years	64,051	77,947	14,983	36,200
Between 2 years and 3 years	32,328	26,337	36,591	16,003
Between 3 years and 4 years	7,148	15,238	9,086	4,767
	297,022	248,973	242,984	291,926

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	148,123	88,229	100,177	176,848
Between 1 year and 2 years	42,744	41,602	9,020	18,965
Between 2 years and 3 years	15,921	11,655	14,176	2,011
Between 3 years and 4 years	1,917	6,299	1,851	4,732
	208,705	147,785	125,224	202,556

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 31(a).

Bank acceptance notes receivable, carried at FVOCI

Due to the requirement of cash management, the Group endorsed or discounted part of the bank acceptance notes receivable to the suppliers or from bank. The business model of bank acceptance notes management is for the purpose of collecting cash flow of contracts and sales. Therefore, at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group classified bank acceptance notes receivable of RMB31,706,000, RMB3,578,000, RMB1,600,000 and RMB12,176,000 as bank acceptance notes receivable carried at fair value and whose changes are included in other comprehensive income.

(b) Prepayments

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Prepayments for property, plant and equipment and intangible assets	4,880	60	188	78
Current				
Prepayments				
– Prepayments for listing expenses	–	–	–	1,581
– Prepayments for inventories	30,161	83,208	30,776	42,874
– Prepayments for expenses	2,683	1,951	3,885	5,866
	32,844	85,159	34,661	50,321

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Prepayments for property, plant and equipment and intangible assets	–	60	4	78

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Prepayments				
– Prepayments for listing expenses	–	–	–	1,581
– Prepayments for inventories	13,494	108,334	27,747	79,117
– Prepayments for expenses	1,631	919	680	3,186
	15,125	109,253	28,427	83,884

18 INVENTORIES

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	74,519	74,430	62,555	63,192
Finished goods and work in progress	720,639	1,019,884	999,230	860,006
Less: write-down of inventories	(25,996)	(31,930)	(38,316)	(33,854)
	769,162	1,062,384	1,023,469	889,344

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	38,775	56,066	48,005	45,341
Finished goods and work in progress	373,234	447,059	627,948	497,009
Less: write-down of inventories	(11,486)	(17,350)	(23,283)	(18,432)
	400,523	485,775	652,670	523,918

The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

The Group

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Carrying amount of inventories sold	536,843	453,189	601,469	281,088	464,687
Write-down/(reversal) of inventories	16,653	5,934	6,386	2,907	(4,462)
	553,496	459,123	607,855	283,995	460,225

19 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets	65,568	103,199	100,467	96,742
Less: allowance for credit losses	(3,278)	(5,158)	(7,454)	(7,647)
	62,290	98,041	93,013	89,095

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets	24,231	47,793	48,197	54,017
Less: allowance for credit losses	(1,212)	(2,390)	(4,840)	(2,701)
	23,019	45,403	43,357	51,316

The Group typically agrees to a 1 year-3 years retention period for 5% or 10% of the contract value of sales contract. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's products keep properly functioning during the retention period.

(b) Contract liabilities

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	472,207	743,232	652,999	614,790

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	262,192	369,910	389,022	394,720

Movement in contract liabilities

The Group

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at the beginning of the year/period	284,630	472,207	743,232	652,999

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Decrease in contract liabilities as a result of recognizing revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(379,117)	(392,251)	(517,527)	(489,957)
Increase in contract liabilities as a result of receipts in advance	566,694	663,276	427,294	451,748
Balance at the end of the year/period	472,207	743,232	652,999	614,790

The Company

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at the beginning of the year/period	93,117	262,192	369,910	389,022
Decrease in contract liabilities as a result of recognizing revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(94,132)	(227,590)	(226,847)	(308,801)
Increase in contract liabilities as a result of receipts in advance	263,207	335,308	245,959	314,499
Balance at the end of the year/period	262,192	369,910	389,022	394,720

20 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products *(i)*	20,916	–	46,189	49,124

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products *(i)*	6,855	–	46,189	44,604

(i) The amount represents investments in wealth management products issued by reputable financial institutions in Chinese Mainland. There are no fixed or determinable returns of these wealth management products.

21 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank	216,712	152,533	190,203	161,009
Time deposits with initial terms within three months	–	–	330	7,606
	216,712	152,533	190,533	168,615
Less: Restricted bank balances *(i)*	(22,246)	(47,775)	(79,342)	(74,093)
	194,466	104,758	111,191	94,522

(i) During the Track Record Period, the Group's cash and bank balances with restriction in use, mainly comprise of (1) bank deposits frozen as a result of the litigations relating to certain disputes with suppliers, of nil at December 31, 2022, RMB119,000 at December 31, 2023, RMB15,809,000 at December 31, 2024 and RMB10,071,000 at September 30, 2025, the frozen deposits will be released upon the litigations resolved; (2) security deposit placed in bank for the issuance of bank acceptance bills, of RMB12,945,000 at December 31, 2022, RMB43,981,000 at December 31, 2023, RMB61,019,000 at December 31, 2024 and RMB47,292,000 at September 30, 2025, the security deposit will be released upon settlement or maturity of the relevant bank acceptance bills; (3) security deposit placed in bank for the issuance of guarantee letter of RMB9,301,000 at December 31, 2022, RMB3,675,000 at December 31, 2023, RMB2,514,000 at December 31, 2024 and RMB6,730,000 at September 30, 2025, the security deposit will be released upon the expiration of the guarantee letter; (4) temporary security deposit placed in bank for wealth management products purchase, of nil at December 31, 2022, 2023 and 2024, RMB10,000,000 at September 30, 2025.

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank	47,598	59,364	80,706	89,315
Less: Restricted bank balances	(3,592)	(10,745)	(48,238)	(47,950)
Cash and cash equivalents	44,006	48,619	32,468	41,365

(b) Reconciliation of loss before taxation to cash used in operations

		Year ended December 31			Nine months ended September 30	
	Note	2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Loss before taxation		(208,935)	(241,381)	(176,921)	(140,341)	(133,907)
Adjustments for:						
Depreciation of property, plant and equipment	*6(c)*	4,806	11,473	10,527	7,940	7,234
Amortisation of intangible assets	*6(c)*	3,284	3,277	3,411	2,540	2,015
Depreciation of right-of-use assets	*6(c)*	11,178	14,744	6,653	5,620	2,925
Write-down/(reversal) of inventories	*18*	16,653	5,934	6,386	2,907	(4,462)
Impairment loss recognised/(reversal) on trade receivables and contract assets	*6(c)*	6,444	8,804	22,306	2,864	(1,148)
Impairment loss on property, plant and equipment	*11*	–	7,086	–	–	–
Equity settled share-based payments	*27*	3,019	2,327	1,441	1,387	4,571
Finance costs	*6(a)*	2,858	4,803	3,449	2,461	1,775
Capitalised borrowing costs	*6(a)*	(1,170)	–	–	–	–

	Note	Year ended December 31			Nine months ended September 30	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Interest income	6(a)	(6,092)	(11,097)	(7,675)	(6,021)	(3,533)
Net foreign exchange (gain)/loss	5(b)	(392)	(2,273)	1,380	2,230	(710)
Changes in the carrying amount of redemption liabilities	25	89,949	116,489	126,166	93,530	100,655
Net realized and unrealized gains from financial assets measured at amortised cost	5(b)	(75)	(74)	(73)	(54)	–
Net realized and unrealized gains from financial assets measured at fair value through profit or loss	5(b)	(378)	(539)	(1,740)	(1,412)	(997)
Net loss on disposal of property, plant and equipment and early termination of lease term of right-of-use assets		119	2,762	253	294	273
Covid-19-related rent concessions received	12	(166)	–	–	–	–
Changes in working capital:						
(Increase)/decrease in inventories		(238,227)	(299,156)	32,529	(57,625)	138,587
(Increase)/decrease in trade and other receivables		(70,243)	45,136	(6,034)	12,819	(78,318)
(Increase)/decrease in contract assets		(48,536)	(37,631)	2,732	25,040	3,725
Decrease/(increase) in prepayments		25,517	(52,315)	50,498	16,575	(14,079)
Increase/(decrease) in trade and other payables		139,680	95,202	31,961	(44,246)	(32,240)
Increase/(decrease) in contract liabilities		187,577	271,025	(90,233)	39,851	(38,209)
Increase in provisions		846	1,139	701	857	1,213
Increase/(decrease) in deferred income		5,000	(11,080)	3,200	5,500	350
(Increase)/decrease in restricted cash		(16,351)	(25,529)	(31,567)	(38,401)	15,249
Cash used in operations		(93,635)	(90,874)	(10,650)	(65,685)	(29,031)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 (*note 23*)	*RMB'000* (*note 24*)	*RMB'000* (*note 25*)	*RMB'000*
At January 1, 2022	–	12,173	1,087,964	1,100,137
Changes from financing cash flows:				
Proceeds from shares issued	–	–	278,200	278,200
Payment of capital element of lease liabilities	–	(9,329)	–	(9,329)
Payment of interest element of lease liabilities	–	(1,466)	–	(1,466)
Proceeds from bank loans	56,760	–	–	56,760
Interest of bank loans paid	(1,316)	–	–	(1,316)
Total changes from financing cash flows	55,444	(10,795)	278,200	322,849
Other changes:				
Changes in the carrying amount of redemption liabilities *(note 25)*	–	–	89,949	89,949
Increase in lease liabilities from entering into new leases contracts during the year *(note 12)*	–	59,875	–	59,875
Decrease in lease liabilities from early termination of lease contracts	–	(5,337)	–	(5,337)
COVID-19-Related rent concessions received	–	(166)	–	(166)

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 *(note 23)*	*RMB'000* *(note 24)*	*RMB'000* *(note 25)*	*RMB'000*
Interest expenses *(note 6(a))*	222	1,466	–	1,688
Capitalised borrowing costs *(note 6(a))*	1,170	–	–	1,170
Total other changes	1,392	55,838	89,949	147,179
At December 31, 2022	56,836	57,216	1,456,113	1,570,165

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 *(note 23)*	*RMB'000* *(note 24)*	*RMB'000* *(note 25)*	*RMB'000*
At January 1, 2023	56,836	57,216	1,456,113	1,570,165
Changes from financing cash flows:				
Payment of capital element of lease liabilities	–	(14,082)	–	(14,082)
Payment of interest element of lease liabilities	–	(1,978)	–	(1,978)
Proceeds from bank loans	39,728	–	–	39,728
Repayment of bank loans	(13,860)	–	–	(13,860)
Interest of bank loans paid	(2,813)	–	–	(2,813)
Total changes from financing cash flows	23,055	(16,060)	–	6,995
Other changes:				
Changes in the carrying amount of redemption liabilities *(note 25)*	–	–	116,489	116,489
Increase in lease liabilities from entering into new leases contracts during the year *(note 12)*	–	3,051	–	3,051
Decrease in lease liabilities from early termination of lease contracts	–	(32,748)	–	(32,748)
Interest expenses *(note 6(a))*	2,825	1,978	–	4,803
Total other changes	2,825	(27,719)	116,489	91,595
At December 31, 2023	82,716	13,437	1,572,602	1,668,755

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 *(note 23)*	*RMB'000* *(note 24)*	*RMB'000* *(note 25)*	*RMB'000*
At January 1, 2024	82,716	13,437	1,572,602	1,668,755
Changes from financing cash flows:				
Payment of capital element of lease liabilities	–	(6,280)	–	(6,280)
Payment of interest element of lease liabilities	–	(452)	–	(452)
Proceeds from bank loans	10,500	–	–	10,500
Repayment of bank loans	(31,678)	–	–	(31,678)
Interest of bank loans paid	(2,704)	–	–	(2,704)
Total changes from financing cash flows	(23,882)	(6,732)	–	(30,614)
Other changes:				
Changes in the carrying amount of redemption liabilities *(note 25)*	–	–	126,166	126,166
Increase in lease liabilities from entering into new leases contracts during the year *(note 12)*	–	2,632	–	2,632
Decrease in lease liabilities from early termination of lease contracts	–	(4,496)	–	(4,496)
Interest expenses *(note 6(a))*	2,694	452	–	3,146
Total other changes	2,694	(1,412)	126,166	127,448
At December 31, 2024	61,528	5,293	1,698,768	1,765,589

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 *(note 23)*	*RMB'000* *(note 24)*	*RMB'000* *(note 25)*	*RMB'000*
At January 1, 2025	61,528	5,293	1,698,768	1,765,589
Changes from financing cash flows:				
Payment of capital element of lease liabilities	–	(2,813)	–	(2,813)
Payment of interest element of lease liabilities	–	(215)	–	(215)
Proceeds from bank loans	26,000	–	–	26,000
Repayment of bank loans	(8,501)	–	–	(8,501)
Interest of bank loans paid	(1,574)	–	–	(1,574)
Total changes from financing cash flows	15,925	(3,028)	–	12,897
Other changes:				
Changes in the carrying amount of redemption liabilities *(note 25)*	–	–	100,655	100,655
Increase in lease liabilities from entering into new leases contracts during the period *(note 12)*	–	3,646	–	3,646
Decrease in lease liabilities from early termination of lease contracts	–	(172)	–	(172)
Interest expenses *(note 6(a))*	1,560	215	–	1,775
Total other changes	1,560	3,689	100,655	105,904
At September 30, 2025	79,013	5,954	1,799,423	1,884,390

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprise the following, which are related to lease rentals paid:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Within operating cash flows	11,215	9,539	14,527	10,167	2,238
Within financing cash flows	10,795	16,060	6,732	5,879	3,028
	22,010	25,599	21,259	16,046	5,266

22 TRADE AND OTHER PAYABLES

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
– Third parties	408,439	475,227	450,791	398,693
– Related parties	3,767	3,485	2,391	2,152
Bills payable	23,948	67,447	126,081	156,018
	436,154	546,159	579,263	556,863
Other payables and accruals				
– Third parties	6,771	9,458	5,156	4,444
– Related parties	–	5,987	–	–
Listing expense payable	–	–	–	7,436
Financial liabilities measured at amortised cost	442,925	561,604	584,419	568,743
Accrued payroll and other benefits	25,979	18,393	20,806	18,571
Other taxes and charges payable	36,492	34,028	26,753	11,359
	505,396	614,025	631,978	598,673

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
– Third parties	153,322	153,324	237,927	239,228
– Related parties	2,485	2,007	2,392	2,152
– Subsidiaries	60,963	2,071	17,662	11,750
Bills payable	9,532	41,572	96,898	126,304
	226,302	198,974	354,879	379,434
Other payables and accruals				
– Third parties	275	4,418	706	1,211
– Related parties	–	5,987	–	–
– Subsidiaries	11,900	2,331	3,198	1,467
Listing expense payable	–	–	–	7,436
Financial liabilities measured at amortised cost	238,477	211,710	358,783	389,548
Accrued payroll and other benefits	2,636	2,665	4,854	3,861
Other taxes and charges payable	17,231	19,612	12,944	9,203
	258,344	233,987	376,581	402,612

The amounts due to related parties are unsecured and interest-free. Details of the amounts due to related parties are set out in note 34(c).

As of the end of the reporting period, the ageing analysis of trade and bills payables based on the invoice date, is as follows:

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	346,595	445,759	421,395	445,287
Between one year and two years	77,651	64,329	107,106	67,615
Between two years and three years	8,986	26,620	32,312	28,324
Over three years	2,922	9,451	18,450	15,637
	436,154	546,159	579,263	556,863

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	179,816	163,907	300,267	337,340
Between one year and two years	45,091	26,953	34,741	28,449
Between two years and three years	1,282	6,749	16,671	8,088
Over three years	113	1,365	3,200	5,557
	226,302	198,974	354,879	379,434

23 BANK LOANS

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans				
– Secured *(a)*	56,836	59,698	51,019	48,498
– Unsecured	–	23,018	10,509	30,515
	56,836	82,716	61,528	79,013

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans				
– Secured	46,824	59,698	51,019	45,496
– Unsecured	–	23,018	10,509	10,508
	46,824	82,716	61,528	56,004

Bank loans bear interest ranging from 3.85% to 4.60% per annum, 2.80% to 4.30% per annum, 2.60% to 4.20% per annum and 2.50% to 3.60% per annum as at December 31, 2022, 2023, 2024 and September 30, 2025, respectively.

(a) Assets pledged as security for bank loans

As at December 31, 2022, 2023, 2024 and September 30, 2025, bank loans of RMB56,836,000, RMB56,760,000, RMB51,019,000 and RMB48,498,000 of the Group were secured by property, plant and equipment and land use right of the Group with carrying amount of RMB95,751,000, RMB92,048,000, RMB88,346,000 and RMB85,569,000 (note 11).

As at December 31, 2023, bank loans of RMB2,938,000 of the Group were secured by discounted bills with recourse.

As at December 31, 2022, bank loans of RMB10,012,000 of the Group were guaranteed by the ultimate controlling parties of the non-controlling shareholders of Anhui Galaxis Technology Company Ltd.. The guarantee was released with the repayment of loans during the year ended December 31, 2023.

(b) The analysis of the repayment schedule of bank loans is as follows:

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year or on demand	13,356	31,703	17,225	41,142
More than 1 year	43,480	51,013	44,303	37,871
	56,836	82,716	61,528	79,013

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year or on demand	3,344	31,703	17,225	18,133
More than 1 year	43,480	51,013	44,303	37,871
	46,824	82,716	61,528	56,004

As at December 31, 2022, 2023, 2024 and September 30, 2025, bank loans of RMB10,012,000, RMB3,003,000, RMB3,003,000 and RMB6,004,000 of the Group are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants and none bank loans are classified as non-current according to repayment schedule as at the Track Record Period.

24 LEASE LIABILITIES

As at the Track Record Period, the lease liabilities were repayable as follows:

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	15,660	7,058	2,394	3,553
After 1 year but within 2 years	14,972	4,191	1,990	2,296
After 2 years but within 5 years	23,004	2,188	909	105
After 5 years	3,580	–	–	–
	41,556	6,379	2,899	2,401
	57,216	13,437	5,293	5,954

25 REDEMPTION LIABILITIES

The Group and the Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption liabilities	1,456,113	1,572,602	1,698,768	1,799,423

From August 23, 2014 to November 1, 2022, the Company conducted several rounds of financing by issuing shares to investors.

The investors are entitled to the same voting rights and dividend rights as other shareholders of the Company. They were also granted with preferential rights when they entered into the investment agreements with the Company. The key terms of preferential rights are summarised as follows:

Redemption rights

The investors shall have the right to put back to the Company the shares acquired upon the occurrence of specified triggering events, including a qualified initial public offering ("IPO") not being completed by December 31, 2024; or a breach of the investment agreements by the Company or its controlling shareholder.

The redemption price is the sum of 100% of the issue price, a compound interest of 8% per annum, and any declared but unpaid dividends.

Liquidation Preference

In the event of a liquidation, dissolution or winding up of the Company, all assets and funds of the Company legally available for distribution shall be distributed as follows:

(a) firstly, to the series E investors, at the subscription price paid by the series E investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(b) secondly, to the series D investors, at the subscription price paid by the series D investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(c) thirdly, to the series C investors, at the subscription price paid by the series C investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(d) fourthly, to the series B investors, at the subscription price paid by the series B investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(e) fifthly, to the series A investors, at the subscription price paid by the series A investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(f) any remaining assets and funds shall be distributed rateably among all shareholders (including the investors) on a pro-rata basis.

The Company's obligation to buy back its own shares for cash gives rise to a financial liability. Such financial liability is accounted for in accordance with note 2(n).

Pursuant to the shareholders' resolution approved on June 25, 2025, all preferential rights will be terminated on the day immediately prior to the listing date except that the redemption rights have been terminated on the day prior to the first submission of the listing application, but shall again become exercisable upon (i) the Company voluntarily withdrawing the listing application; (ii) the regulatory authorities rejecting or refusing to approve the listing application; or (iii) the earlier of December 31, 2026 or the expiry of 18 months following the first submission of the listing application, if the listing is not completed by that time. The aforesaid amendments did not change the classification of these financial instruments in the consolidated statements of financial position.

Pursuant to the currently effective shareholders' agreement, the preferential rights include, among others, (i) the right to appoint directors; (ii) pre-emptive right, (iii) right of first refusal and co-sale, (iv) anti-dilution adjustment rights, (v) redemption rights, (vi) liquidation references, and (vii) information and inspection rights.

The movements of the redemption liabilities during the Track Record Period are set out as below:

	Redemption liabilities
	RMB'000
The Group and the Company	
At January 1, 2022	1,087,964
Grant of redemption right upon issue of shares	278,200
Changes in the carrying amount	89,949
At December 31, 2022 and January 1, 2023	1,456,113
Changes in the carrying amount	116,489
At December 31, 2023 and January 1, 2024	1,572,602
Changes in the carrying amount	126,166
At December 31, 2024 and January 1, 2025	1,698,768
Changes in the carrying amount	100,655
At September 30, 2025	1,799,423

26 DEFERRED INCOME

The Group and the Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants	13,380	2,300	5,500	5,850

27 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Group has adopted employee incentive schemes on August 30, 2019 (the "Employee Incentive Scheme 2019") and May 13, 2021 (the "Employee Incentive Scheme 2021"), respectively. The purpose of the employee incentive schemes is to provide incentives and rewards to eligible participants for their past and future contributions to the Group. The share-based awards granted pursuant to the employee incentive schemes are governed by the contractual terms of the awards.

The table below sets forth share-based payments expenses for share options and restricted share units (the "RSUs") during the Track Record Period:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Employee Incentive Scheme 2019 – RSU *(a)*	1,479	816	461	234	1,764

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Employee Incentive Scheme 2019 – share options *(b)*	554	549	457	416	515
Employee Incentive Scheme 2021 – share options *(c)*	986	962	523	737	2,292
	3,019	2,327	1,441	1,387	4,571

(a) Employee Incentive Scheme 2019 — RSUs

Under the Employee Incentive Scheme 2019, the maximum number of shares that may be issued shall be 16,334,438 shares* through RSUs.

The qualified participants of the Employee Incentive Scheme 2019 are entitled to purchase RSUs at a purchase price of RMB0.64 or RMB1.13 per share*, while they are originally required to satisfy vesting period until 3 years after the completion of a qualified initial public offering on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the "STAR Board") for the entitlements of RSUs. On June 4, 2025, the Group modified the vesting period as until 1 year after the Listing, which is beneficial to the eligible participants. The modification does not affect the fair value of the RSUs granted, the modified vesting conditions have been taken into account in determining the share-based payments expenses.

(i) Movements in the number* of RSUs granted under Employee Incentive Scheme 2019 during the Track Record Period are as follows:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
At the beginning of the year/period	15,015,449	14,870,343	13,281,995	13,281,995	11,572,870
Forfeited	(145,106)	(1,588,348)	(1,709,125)	(1,570,101)	(133,810)
At the end of the year/period	14,870,343	13,281,995	11,572,870	11,711,894	11,439,060

(ii) Fair value of shares granted under Employee Incentive Scheme 2019

The fair value of services received in return for RSUs is measured by reference to the fair value of RSUs granted, which was determined based on the fair value of the Company's ordinary shares at the grant date. The estimate of the fair value of the Company's ordinary share is measured based on an equity allocation model. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the directors with best estimate.

The assumptions used in the measurement of fair value of the Company's ordinary share at grant date are as follows:

Risk-free interest rate	2.82%
Expected Volatility	42.47%
Expected Dividend yield	0.00%

The directors estimated the risk-free interest rate based on the government yield. The expected volatility is based on average of historic volatilities of the comparable companies with length commensurable to the time, adjusted for any expected changes to future volatility based on publicly available information. Expected dividend yield is based on historical dividends and management estimation at the grant date. Changes in the subjective input assumptions could materially affect the fair value estimate.

RSUs were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the RSUs granted.

The fair value of the Company's ordinary share was RMB 1.50 per share* at the grant date.

(b) Employee Incentive Scheme 2019 — share options

Under the Employee Incentive Scheme 2019, the maximum number of shares that may be issued shall be 3,416,512 shares* through share options.

The qualified participants of the Employee Incentive Scheme 2019 are required to satisfy vesting period until 3 years after the completion of a qualified initial public offering on the STAR Board, and non-market performance conditions for the entitlements. Total granted options in the Employee Incentive Scheme 2019 are divided into three tranches, subject to the individual KPI and Group's financial performance targets in respect of the 2019, 2020 and 2021 financial years, respectively. The contractual life of share options is 10 years.

Subsequently, the Board has resolved to modify the non-market performance conditions with effect from May 13, 2021 as follows:

- the Group's financial performance targets in respect of the 2020 financial year was not met and have been changed to a new set of performance targets, which including the individual KPI and Group's financial performance targets, in respect of the 2022 financial year (the "First Modification"); and

- the Group's financial performance target, in particular the target revenue of the Group, in respect of the 2021 financial year has been decreased (the "Second Modification").

The above modifications are beneficial to the eligible participants. The First Modification has been treated as a new grant as the non-market performance conditions for second tranche were not met and the tranche should have been forfeited under the original terms and conditions before the modification. The Second Modification does not affect the modification date fair value of the share options. The modified vesting conditions have been taken into account in determining the share-based payments expenses.

On June 4, 2025, the Group modified the vesting period as until 1 year to 4 years after the Listing, and extended the contractual life of share options from 10 years to 15 years (the "Third Modification"), which are beneficial to the eligible participants. The extension of contractual life of share options increased the fair value of the share options granted, measured immediately before and after the modification. The incremental fair value is immaterial and has been recognised as expenses on the modification date. The modified vesting conditions have been taken into account in determining the share-based payments expenses.

(i) Movements in the number* and weighted average exercise prices of share options granted under Employee Incentive Scheme 2019 during the Track Record Period are as follows:

	Year ended December 31						Nine months ended September 30			
	2022		2023		2024		2024		2025	
	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options
At the beginning of the year/period	RMB2.27	3,411,038	RMB2.27	3,385,044	RMB2.27	3,371,229	RMB2.27	3,371,229	RMB2.27	3,299,336
Forfeited	RMB2.27	(25,994)	RMB2.27	(13,815)	RMB2.27	(71,893)	–	(71,893)	RMB2.27	(25,546)
At the end of the year/period	RMB2.27	3,385,044	RMB2.27	3,371,229	RMB2.27	3,299,336	RMB2.27	3,299,336	RMB2.27	3,273,790

No share option was vested and exercisable during the Track Record Period.

The share options outstanding at December 31, 2022, 2023, 2024 and September 30, 2025 had an exercise price per share* of RMB2.27, RMB2.27, RMB2.27 and RMB2.27, and a weighted average remaining contractual life of 12.40 years, 11.40 years, 10.40 years and 9.70 years under the modified contract terms.

(ii) Fair value of share options granted under Employee Incentive Scheme 2019

The fair value of services received in return for share options is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial tree model. Expectations of early exercise are incorporated into the binomial tree model.

The assumptions used in the measurement of fair value of the share options at grant date/modification date are based on the directors' best estimate as follows:

	Options granted in 2019	Options granted in 2019 and modified in 2025 (immediately before the modification)	Options granted in 2019 and modified in 2025 (immediately after the modification)	Options granted in 2021	Options granted in 2021 and modified in 2025 (immediately before the modification)	Options granted in 2021 and modified in 2025 (immediately after the modification)
Risk-free interest rates	3.14%	1.48%	1.64%	2.85%	1.57%	1.69%
Expected volatility	56.04%	52.30%	48.79%	51.96%	48.59%	51.92%
Projections of future performance	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Exercise price per share*	2.27	2.27	2.27	2.27	2.27	2.27
Fair value of per ordinary share*	1.50	6.51	6.51	3.33	6.51	6.51
Option life	10 years	10 years	15 years	10 years	10 years	15 years
Expected dividend yield	0%	0%	0%	0%	0%	0%

The expected volatility is based on average of historic volatilities of the comparable companies with length commensurable to the time (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividend yield is based on historical dividends and management estimation at the grant date/modification date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under service and non-market performance conditions. These conditions have not been taken into account in the grant date/modification date fair value measurement of the services received. There were no market conditions associated with the share options granted.

The weighted average fair value of share options was RMB0.72 per share option* and RMB2.01 per share option* for the share options granted in 2019 and 2021 at the grant date, respectively.

(c) Employee Incentive Scheme 2021 — share options

Under the Employee Incentive Scheme 2021, the maximum number of shares that may be issued shall be 5,815,832 shares* through share options.

The Group granted 3,626,649 share options* in total to certain qualified participants in 2021 (the "First Grant Under ESOP 2021").

The qualified participants of the First Grant Under ESOP 2021 are originally required to satisfy vesting period until 3 years after the completion of a qualified initial public offering on the STAR Board, and non-market performance conditions for the entitlements. Total granted options of the First Grant Under ESOP 2021 are divided into three tranches, subject to the individual KPI and Group's financial performance targets in respect of the 2021, 2022 and 2023 financial years, respectively. The original contractual life of share options is 10 years.

On June 4, 2025, the Group modified the vesting period as until 1 year to 4 years after the Listing, and extended the contractual life of share options from 10 years to 15 years, which are beneficial to the eligible participants. The extension of contractual life of share options increased the fair value of the share options granted, measured immediately before and after the modification. The incremental fair value is immaterial and has been recognised as expenses on the modification date. The modified vesting conditions have been taken into account in determining the share-based payments expenses.

On June 4, 2025, the Group further granted share options to certain qualified participants with an aggregate of 2,881,876 shares of the Company under the Employee Incentive Scheme 2021 (the "Second Grant Under ESOP 2021). The total granted options of the Second Grant Under ESOP 2021 shall be vested in three tranches, with 30% vesting in 2026, 30% vesting in 2027, and 40% vesting in 2028, respectively, subject to the individual KPI in respect of the 2025, 2026 and 2027 financial years, and after the Group has completed the Listing, on condition that participants remain in service.

(i) Movements in the number* and weighted average exercise prices of share options granted under Employee Incentive Scheme 2021 during the Track Record Period are as follows:

	Year ended December 31						Nine months ended September 30			
	2022		2023		2024		2024		2025	
	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options
At the beginning of the year/ period	RMB3.24	3,626,649	RMB3.24	3,522,244	RMB3.24	3,471,901	RMB3.24	3,471,901	RMB3.24	3,031,786
Granted	–	–	–	–	–	–	–	–	RMB3.24	2,881,876
Forfeited	RMB3.24	(104,405)	RMB3.24	(50,343)	RMB3.24	(440,115)	–	–	RMB3.24	(141,005)
At the end of the year/period	RMB3.24	3,522,244	RMB3.24	3,471,901	RMB3.24	3,031,786	RMB3.24	3,471,901	RMB3.24	5,772,657

No share option was vested and exercisable during the Track Record Period.

The share options outstanding at December 31, 2022, 2023, 2024 and September 30, 2025 had an exercise price per share* of RMB3.24, RMB3.24, RMB3.24 and RMB3.24, and a weighted average remaining contractual life of 13.67 years, 12.67 years, 11.67 years and 12.81 years under the modified contract terms.

(ii) Fair value of share options granted under Employee Incentive Scheme 2021

The fair value of services received in return for share options is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial tree model. Expectations of early exercise are incorporated into the binomial tree model.

The assumptions used in the measurement of fair value of the share options at grant date/modification date are based on the directors' best estimate as follow:

	Options granted in 2021	Options granted in 2021 and modified in 2025 (immediately before the modification)	Options granted in 2021 and modified in 2025 (immediately after the modification)	Options granted in 2025
Risk-free interest rates	2.85%	1.57%	1.69%	1.78%
Expected volatility	51.96%	48.59%	51.92%	51.92%
Projections of future performance	100.00%	100.00%	100.00%	100.00%
Exercise price per share*	3.24	3.24	3.24	3.24
Fair value of per ordinary share*	3.33	6.51	6.51	6.51
Option life	10 years	10 years	15 years	15 years
Expected dividend yield	0%	0%	0%	0%

The expected volatility is based on average of historic volatilities of the comparable companies with length commensurable to the time (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividend yield is based on historical dividends and management estimation at the grant date/modification date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under service and non-market performance conditions. These conditions have not been taken into account in the grant date/modification date fair value measurement of the services received. There were no market conditions associated with the share options granted.

The weighted average fair value of share options of the First Grant Under ESOP 2021 was RMB1.79 per share option* at the grant date. The weighted average fair value of share options of the Second Grant Under ESOP 2021 was RMB4.34 per share option*.

* The number of shares (including RSUs and share options), exercise price per share, fair value of per ordinary share, fair value of each share options before the Company's conversion into a joint stock Company were adjusted for the exchange ratio established in the conversion on July 13, 2021.

28 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

The Group

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	(1,386)	(1,379)	(7,256)	(6,280)
Provision for current income tax for the year/period	633	233	1,137	564
Payments during the year/period	(626)	(6,110)	(161)	(6,257)
At the end of the year/period	(1,379)	(7,256)	(6,280)	(11,973)
Represented by:				
Income tax recoverable	(4,134)	(7,871)	(7,112)	(12,872)
Income tax payable	2,755	615	832	899
	(1,379)	(7,256)	(6,280)	(11,973)

(b) Deferred tax assets and liabilities recognized:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognized in the consolidated statements of financial position and the movements during the year/period are as follows:

	Fair value change of financial assets measured at FVPL	Right-of-use assets	Lease liabilities	Intangible assets arising from business combination	Accumulated tax losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax arising from:						
At January 1, 2022	–	(2,603)	2,678	(1,393)	1,318	–
(Charged)/credited to profit or loss	–	(10,592)	10,861	400	(669)	–

	Fair value change of financial assets measured at FVPL	Right-of-use assets	Lease liabilities	Intangible assets arising from business combination	Accumulated tax losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2022 and January 1, 2023	–	(13,195)	13,539	(993)	649	–
Credited/(charged) to profit or loss	–	10,421	(10,789)	322	46	–
At December 31, 2023 and January 1, 2024	–	(2,774)	2,750	(671)	695	–
(Charged)/credited to profit or loss	(164)	1,859	(1,790)	268	(173)	–
At December 31, 2024 and January 1, 2025	(164)	(915)	960	(403)	522	–
Credited/(charged) to profit or loss	103	(96)	57	102	(166)	–
At September 30, 2025	(61)	(1,011)	1,017	(301)	356	–

(ii) Reconciliation to the consolidated statements of financial position

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax asset in the consolidated statements of financial position	14,188	3,445	1,482	1,373
Net deferred tax liability in the consolidated statements of financial position	(14,188)	(3,445)	(1,482)	(1,373)
	–	–	–	–

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in note 2(q), the Group has not recognized deferred tax assets in respect of temporary differences and cumulative tax losses of certain subsidiaries as it is not probable that future taxable profits against which the losses or temporary differences can be utilized will be available in the relevant tax jurisdiction and entity.

The following table presents the Group's deductible temporary differences and cumulative tax losses for which deferred tax assets were not recognized at the reporting dates:

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cumulative tax losses *(i)*	429,350	741,297	943,472	1,109,205
Deductible temporary differences	64,994	76,852	109,445	105,397
At the end of the year/period	494,344	818,149	1,052,917	1,214,602

(i) The tax losses arising from operations in Chinese Mainland can be carried forward to offset against taxable profits of subsequent years for up to ten years from the year in which they arose.

29 PROVISIONS

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Warranty provisions	13,339	14,478	15,179	16,392

The movements of provisions during the Track Record Period were as follows:

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	12,493	13,339	14,478	15,179
Provisions for warranty provisions	15,750	9,185	7,025	4,886
Settlement for warranty provisions	(14,904)	(8,046)	(6,324)	(3,673)
Balance at the end of the year/period	13,339	14,478	15,179	16,392

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Warranty provisions	9,719	12,959	14,385	14,837

The movements of provisions during the Track Record Period were as follows:

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	5,633	9,719	12,959	14,385
Provisions for warranty provisions	5,142	4,811	3,312	1,448
Settlement for warranty provisions	(1,056)	(1,571)	(1,886)	(996)
Balance at the end of the year/period	9,719	12,959	14,385	14,837

Under the terms of the Group's sales agreements, the Group offers warranties for its projects typically for from 1 year to 3 years. Provision is therefore made based on the estimate of the expected claim, which takes into account the Group's recent claim experience, under these agreements in respect of sales prior to the end of each reporting period.

30 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

The Company

	Note	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
		Attributable to equity shareholders of the Company				
		RMB'000 (note 30(c))	*RMB'000 (note 30(d)(i))*	*RMB'000 (note 30(d)(ii))*	*RMB'000*	*RMB'000*
Balance at January 1, 2022		360,000	(357,498)	4,358	(266,474)	(259,614)
Changes in deficit for 2022:						
Loss for the year		–	–	–	(124,253)	(124,253)
Total comprehensive income		–	–	–	(124,253)	(124,253)
Equity settled share-based payment expenses		–	–	3,019	–	3,019
Recognition of redemption liabilities		–	(278,200)	–	–	(278,200)
Capital contributions	*30(c)*	31,086	247,114	–	–	278,200
Balance at December 31, 2022		391,086	(388,584)	7,377	(390,727)	(380,848)

	Note	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
		Attributable to equity shareholders of the Company				
		RMB'000 (note 30(c))	*RMB'000 (note 30(d)(i))*	*RMB'000 (note 30(d)(ii))*	*RMB'000*	*RMB'000*
Balance at January 1, 2023		391,086	(388,584)	7,377	(390,727)	(380,848)
Changes in deficit for 2023:						
Loss for the year		–	–	–	(134,205)	(134,205)
Total comprehensive income		–	–	–	(134,205)	(134,205)
Equity settled share-based payment expenses		–	–	2,327	–	2,327
Balance at December 31, 2023		391,086	(388,584)	9,704	(524,932)	(512,726)

	Note	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
		Attributable to equity shareholders of the Company				
		RMB'000 (note 30(c))	*RMB'000 (note 30(d)(i))*	*RMB'000 (note 30(d)(ii))*	*RMB'000*	*RMB'000*
Balance at January 1, 2024		391,086	(388,584)	9,704	(524,932)	(512,726)
Changes in deficit for 2024:						
Loss for the year		–	–	–	(125,114)	(125,114)
Total comprehensive income		–	–	–	(125,114)	(125,114)
Equity settled share-based payment expenses		–	–	1,441	–	1,441
Balance at December 31, 2024		391,086	(388,584)	11,145	(650,046)	(636,399)

	Note	Attributable to equity shareholders of the Company				
		Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
		RMB'000 *(note 30(c))*	*RMB'000* *(note 30(d)(i))*	*RMB'000* *(note 30(d)(ii))*	*RMB'000*	*RMB'000*
Balance at January 1, 2025		391,086	(388,584)	11,145	(650,046)	(636,399)
Changes in deficit for the nine months ended September 30, 2025:						
Loss for the period		–	–	–	(51,819)	(51,819)
Total comprehensive income		–	–	–	(51,819)	(51,819)
Equity settled share-based payment expenses		–	–	4,571	–	4,571
Balance at September 30, 2025		391,086	(388,584)	15,716	(701,865)	(683,647)

	Note	Attributable to equity shareholders of the Company				
		Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
		RMB'000 *(note 30(c))*	*RMB'000* *(note 30(d)(i))*	*RMB'000* *(note 30(d)(ii))*	*RMB'000*	*RMB'000*
(unaudited) **Balance at January 1, 2024**		391,086	(388,584)	9,704	(524,932)	(512,726)
Changes in deficit for the nine months ended September 30, 2024:						
Loss for the period		–	–	–	(72,929)	(72,929)
Total comprehensive income		–	–	–	(72,929)	(72,929)
Equity settled share-based payment expenses		–	–	1,387	–	1,387
Balance at September 30, 2024		391,086	(388,584)	11,091	(597,861)	(584,268)

(b) Dividends

No dividends were paid by the companies comprising the Group during the Track Record Period. The Company did not declare and pay any dividends since its incorporation.

(c) Share capital

	Number of original shares	Share capital
	RMB'000	*RMB'000*
Issued and fully paid		
Balance at January 1, 2022	360,000	360,000
Issuance of shares *(i)*	31,086	31,086
Balance at December 31, 2022, 2023, 2024 and September 30, 2025	391,086	391,086

(i) On November 1, 2022, the Company entered into an investment agreement with several investors, pursuant to which, the investors agreed to subscribe for 31,086,000 shares, representing 7.9486% of the Company's equity interest for RMB278,200,000. The excess of the consideration of RMB278,200,000, over the increase in the share capital of RMB31,086,000 was credited to the Company's capital reserve, amounting to RMB247,114,000.

(d) Nature and purpose of reserves

(i) Capital reserve

The capital reserve comprises: (i) the differences between the net considerations received and the nominal amount of share capital issued by the Company; and (ii) the differences between the net assets received and the total amount of the par value of shares issued in relation to the conversion into a joint stock company; (iii) the amounts in relation to the recognition of the redemption liabilities as set out in note 25; (iv) merger reserve arose from business combination under common control.

(ii) Share-based payment reserve

The share-based payment reserve comprises the portion of difference between the fair value of shares granted and the consideration paid by the directors and employees of the Group that has been recognized in accordance with the accounting policy adopted for equity settled share-based payments in note 2(p)(ii).

(iii) Exchange reserve

The exchange reserve comprises all relevant exchange differences arising from the translation of the financial statements of operations with functional currency other than RMB.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents, time deposit, restricted cash and bills receivables is limited because the counterparties are banks and financial institutions for which the Group considers to represent low credit risk. In respect of other receivables including deductible input VAT, deposits, staff advance, tax reimbursement for export and others, the Group has assessed that the expected credit loss rate for these receivables is immaterial under 12 months expected losses method based on historical settlement records and looking-forward information (including the economic environment). Thus no loss allowance provision for these receivables was recognized in the Track Record Period.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operate. Trade receivables are due within a period of 0-30 business days upon achieving a milestone. Normally, the Group does not obtain collateral from customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At December 31, 2022, 2023 and 2024 and September 30, 2025, 27.89%, 32.11%, 22.85% and 14.01% of the total trade receivables and contract assets was due from the Group's five largest customers in each year/period during the Track Record Period, respectively.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	As at December 31, 2022					
	Gross carrying amount	Provision on individual basis	Carrying amount after individual provision	ECL rate	ECL	Loss allowance
	RMB'000	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*
Within one year	188,488	–	188,488	0.66%	1,253	1,253
Between 1 year and 2 years	65,582	–	65,582	2.33%	1,531	1,531
Between 2 years and 3 years	34,670	–	34,670	6.76%	2,342	2,342
Between 3 years and 4 years	10,933	–	10,933	34.63%	3,786	3,786
Over 4 years	63	–	63	100.00%	63	63
	299,736	–	299,736	2.99%	8,975	8,975

	As at December 31, 2023					
	Gross carrying amount	Provision on individual basis	Carrying amount after individual provision	ECL rate	ECL	Loss allowance
	RMB'000	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*
Within one year	114,413	115	114,298	0.89%	1,011	1,126
Between 1 year and 2 years	81,376	1,450	79,926	2.48%	1,979	3,429
Between 2 years and 3 years	28,367	–	28,367	7.16%	2,031	2,031
Between 3 years and 4 years	19,918	352	19,566	22.12%	4,329	4,681
Over 4 years	4,632	–	4,632	100.00%	4,632	4,632
	248,706	1,917	246,789	5.67%	13,982	15,899

	As at December 31, 2024					
	Gross carrying amount	Provision on individual basis	Carrying amount after individual provision	ECL rate	ECL	Loss allowance
	RMB'000	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*
Within one year	171,975	2,701	169,274	2.38%	4,035	6,736
Between 1 year and 2 years	16,612	642	15,970	6.18%	987	1,629
Between 2 years and 3 years	43,266	1,055	42,211	13.31%	5,620	6,675
Between 3 years and 4 years	15,345	–	15,345	40.79%	6,259	6,259
Over 4 years	14,610	352	14,258	100.00%	14,258	14,610
	261,808	4,750	257,058	12.12%	31,159	35,909

	As at September 30, 2025					
	Gross carrying amount	Provision on individual basis	Carrying amount after individual provision	ECL rate	ECL	Loss allowance
	RMB'000	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*
Within one year	221,701	3,392	218,309	1.97%	4,299	7,691
Between 1 year and 2 years	40,191	1,868	38,323	5.54%	2,122	3,990
Between 2 years and 3 years	20,638	3,372	17,266	15.99%	1,263	4,635
Between 3 years and 4 years	15,187	10,055	5,132	49.65%	365	10,420
Over 4 years	7,832	352	7,480	100.00%	7,480	7,832
	305,549	19,039	286,510	5.42%	15,529	34,568

The following table provides information about the Group's exposure to credit risk and ECLs for contract assets:

	As at December 31, 2022		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	5.00%	65,568	3,278

	As at December 31, 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	5.00%	103,199	5,158

	As at December 31, 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	7.42%	100,467	7,454

	As at September 30, 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	7.90%	96,742	7,647

Expected loss rates are based on actual loss experience over the past 48 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables and contract assets during the year/period is as follows:

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year/period	5,809	12,253	21,057	43,363
Impairment loss recognized/ (reversal) during the year/period, net	6,444	8,804	22,306	(1,148)
Balance at the end of the year/period	12,253	21,057	43,363	42,215

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses, participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

	As at December 31, 2022					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	15,603	5,108	17,204	28,906	66,821	56,836
Trade and other payables	505,396	–	–	–	505,396	505,396
Redemption liabilities	1,456,113	–	–	–	1,456,113	1,456,113
Lease liabilities	17,913	16,518	24,796	3,629	62,856	57,216
Contractual and expected undiscounted cash outflow	1,995,025	21,626	42,000	32,535	2,091,186	2,075,561

	As at December 31, 2023					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	34,379	8,508	23,927	25,574	92,388	82,716
Trade and other payables	614,025	–	–	–	614,025	614,025
Redemption liabilities	1,572,602	–	–	–	1,572,602	1,572,602
Lease liabilities	7,500	4,361	2,267	–	14,128	13,437
Contractual and expected undiscounted cash outflow	2,228,506	12,869	26,194	25,574	2,293,143	2,282,780

	As at December 31, 2024					
	Contractual undiscounted cash out flow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	19,294	9,082	23,338	17,080	68,794	61,528
Trade and other payables	631,978	–	–	–	631,978	631,978
Redemption liabilities	1,698,768	–	–	–	1,698,768	1,698,768
Lease liabilities	2,568	2,068	922	–	5,558	5,293
Contractual and expected undiscounted cash outflow	2,352,608	11,150	24,260	17,080	2,405,098	2,397,567

	As at September 30, 2025					
	Contractual undiscounted cash out flow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	43,572	6,871	24,229	10,897	85,569	79,013
Trade and other payables	598,673	–	–	–	598,673	598,673
Redemption liabilities	1,799,423	–	–	–	1,799,423	1,799,423
Lease liabilities	3,739	2,340	105	–	6,184	5,954
Contractual and expected undiscounted cash outflow	2,445,407	9,211	24,334	10,897	2,489,849	2,483,063

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from cash at banks, bank loans, redemption liabilities and lease liabilities. Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively. The Group's interest rate risk profile as monitored by management is set out in (i) below.

(i) Interest rate risk profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group at the end of each reporting period:

	Note	As at December 31			As at September 30
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fixed rate instruments:					
Time deposits	*15*	253,496	264,177	162,551	148,519
Financial assets measured at amortised cost	*14*	3,487	3,453	3,419	–
Lease liabilities	*24*	(57,216)	(13,437)	(5,293)	(5,954)
Bank loans	*23*	(13,356)	(31,703)	(17,225)	(23,010)
Redemption liabilities	*25*	(1,456,113)	(1,572,602)	(1,698,768)	(1,799,423)
		(1,269,702)	(1,350,112)	(1,555,316)	(1,679,868)
Variable rate instruments:					
Bank loans	*23*	(43,480)	(51,013)	(44,303)	(56,003)
Cash at bank and restricted bank balance	*21(a)*	216,712	152,533	190,533	168,615
		173,232	101,520	146,230	112,612

(ii) Sensitivity analysis

At December 31, 2022, 2023, 2024 and September 30, 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's loss after tax and accumulated losses by approximately RMB1,732,000, RMB1,015,000, RMB1,462,000 and RMB1,126,000, respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained profits) is estimated as an annualised impact on interest expense or income of such a change in interest rates. The sensitivity analyses are performed on the same basis during the Track Record Period.

(d) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at December 31, 2022	As at December 31, 2022 Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement:				
Assets:				
FVPL – wealth management products	20,916	–	20,916	–
FVOCI – Bank acceptance notes receivable	31,706	–	31,706	–
	52,622	–	52,622	–

	Fair value at December 31, 2023	As at December 31, 2023 Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement:				
Assets:				
FVOCI – Bank acceptance notes receivable	3,578	–	3,578	–

	Fair value at December 31, 2024	As at December 31, 2024 Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement:				
Assets:				
FVPL – wealth management products	46,189	–	46,189	–
FVOCI – Bank acceptance notes receivable	1,600	–	1,600	–
	47,789	–	47,789	–

	Fair value at September 30, 2025	As at September 30, 2025 Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement:				
Assets:				
FVPL – wealth management products	49,124	–	49,124	–
FVOCI – Bank acceptance notes receivable	12,176	–	12,176	–
	61,300	–	61,300	–

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

For wealth management products issued by banks that are measured as FVPL, the fair value is determined by net value of the products on the consolidated statement of financial position date that was published by commercial banks.

For bank acceptance notes receivable that are measured at FVOCI, the fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the end of the reporting period.

(ii) Fair value of financial assets and liabilities carried at amortised cost

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at the Track Record Period.

32 COMMITMENTS

Commitments outstanding at the Track Record Period not provided for in the financial statements were as follows:

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted for acquisition of property, plant and equipment and intangible assets	2,370	729	359	34

33 PLEDGE OF ASSETS

Details of the Group's pledged time deposits, restricted bank balances and PRC bonds for the Group's bank acceptance bills and guarantee letters are included in notes 15, 21 and 14 to the financial statements.

Details of the Group's bank deposits frozen as a result of the litigations are included in note 21 to the financial statements.

Details of the Group's assets pledged as security for bank loans are included in note 23 to the financial statements.

34 MATERIAL RELATED PARTY TRANSACTIONS

During the Track Record Period, transactions with the following parties are considered as related party transactions:

Name of related party	Relationship with the Group
Sichuan Wulianyida Science and Technology Co., Ltd.* 四川物聯億達科技有限公司	Entity Controlled by Mr. Gu Chunguang
S.F. Technology Co., Ltd.* 順豐科技有限公司	Entity with significantly influence in the Company
Hebei SF Express Co., Ltd.* 河北順豐速運有限公司	Entity with significantly influence in the Company
Hubei SF Express Co., Ltd.* 湖北順豐速運有限公司	Entity with significantly influence in the Company
SF Integrated Logistics (Shenzhen) Co., Ltd.* 深圳市順豐綜合物流服務有限公司	Entity with significantly influence in the Company
S.F. Express (Dongguan) Co., Ltd.* 順豐速運(東莞)有限公司	Entity with significantly influence in the Company
Sichuan SF Express Co., Ltd.* 四川順豐速運有限公司	Entity with significantly influence in the Company
SF Express (Huizhou) Co., Ltd.* 順豐速運(惠州)有限公司	Entity with significantly influence in the Company
SF Express Co., Ltd.* 順豐速運有限公司	Entity with significantly influence in the Company
Shenzhen Shuncheng Supply Chain Service Co., Ltd.* 深圳市順成供應鏈服務有限公司	Entity with significantly influence in the Company
Shenzhen SF International Supply Chain Management Co., Ltd.* 深圳順豐國際供應鏈管理有限公司	Entity with significantly influence in the Company
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.* 浙江雙捷供應鏈科技有限公司	Entity with significantly influence in the Company
Shenzhen Fenglang Supply Chain Co., Ltd.* 深圳豐朗供應鏈有限公司	Entity with significantly influence in the Company
Shanghai Xinhong Newchuang Management Consulting Co., Ltd.* 上海鑫弘紐創管理諮詢有限公司	Non-controlling shareholder of Anhui Galaxis Technology Co., Ltd.
Anhui new automation equipment Co., Ltd.* 安徽紐創自動化設備股份有限公司	Entity Controlled by the ultimate controlling party of non-controlling shareholder of Anhui Galaxis Technology Co., Ltd.
Shanghai Aijiayu Automation Industry Technology Co., Ltd.* 上海艾加昱自動化工業技術有限公司	Entity Controlled by the ultimate controlling party of non-controlling shareholder of Shanghai Galaxis Automation Technology Co., Ltd.
Dongguan SF Taisen Logistics Management Co., Ltd.* 東莞順豐泰森物流管理有限公司	Entity with significantly influence in the Company

* The official name of this entity is in Chinese. The English translation is for identification purpose only.

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	2,244	2,257	2,458	1,714	2,625
Discretionary bonuses	–	–	50	38	236
Retirement scheme contributions	102	115	111	83	120
Equity-settled share-based payment expenses	171	171	171	128	656
	2,517	2,543	2,790	1,963	3,637

Total remuneration is included in "staff costs" (see note 6(b)).

(b) Other transactions with related parties

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Trade in nature:					
Sales of goods and service					
– S.F. Technology Co., Ltd.	–	35,861	–	–	–
– Hubei SF Express Co., Ltd.	–	–	205	52	44
– SF Integrated Logistics (Shenzhen) Co., Ltd.	60,010	–	–	–	–
– S.F. Express (Dongguan) Co., Ltd.	23	37,144	810	746	295
– SF Express Co., Ltd.	–	–	424	424	–
– Sichuan SF Express Co., Ltd.	–	9	–	–	–
– Anhui new automation equipment Co., Ltd.	–	1,839	–	–	–
– Shenzhen Shuncheng Supply Chain Service Co., Ltd.	12,478	65	–	–	–
– Shenzhen SF International Supply Chain Management Co., Ltd.	7,500	–	–	–	–
– Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	–	106	–	–	60
Purchase of goods and service					
– Sichuan Wulianyida Science and Technology Co., Ltd.	368	2,464	2,286	1,543	1,817
– S.F. Technology Co., Ltd.	–	–	8,467	8,467	–
– Anhui new automation equipment Co., Ltd.	5,563	–	–	–	–
Non-trade in nature:					
Right-of-use assets recognized					
– Dongguan SF Taisen Logistics Management Co., Ltd.	1,262	–	–	–	–
Payments for lease liabilities					
– Dongguan SF Taisen Logistics Management Co., Ltd.	273	273	273	273	–
Interest expenses on lease liabilities					
– Dongguan SF Taisen Logistics Management Co., Ltd.	56	30	9	9	–
Purchase of right-of-use assets					
– Anhui new automation equipment Co., Ltd.	4,938	–	–	–	–
Purchase of property, plant and equipment					
– Anhui new automation equipment Co., Ltd.	23,435	–	–	–	–
Acquisition of non-controlling interests					
– Shanghai Xinhong Newchuang Management Consulting Co., Ltd.	–	9,000	–	–	–

(c) Balances with related parties

	As at December 31						As at September 30	
	2022		2023		2024		2025	
	RMB'000		RMB'000		RMB'000		RMB'000	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Trade in nature:								
Trade and other receivables								
– S.F. Technology Co., Ltd.	–	–	12,719	113	724	45	2,211	44
– Hebei SF Express Co., Ltd.	107	7	–	–	–	–	–	–
– Hubei SF Express Co., Ltd.	–	–	–	–	197	5	30	1
– SF Integrated Logistics (Shenzhen) Co., Ltd.	20,460	136	300	7	6,720	160	–	–
– S.F. Express (Dongguan) Co., Ltd.	13	–	12,754	113	165	4	117	3
– Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2,116	14	–	–	–	–	–	–
– Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	–	–	120	1	–	–	–	–
– Shenzhen Fenglang Supply Chain Co., Ltd.	–	–	136	1	–	–	–	–
– Shanghai Aijiayu Automation Industry Technology Co., Ltd.	1,036	186	757	274	695	695	695	695
	23,732	343	26,786	509	8,501	909	3,053	743

	As at December 31						As at September 30	
	2022		2023		2024		2025	
	RMB'000		RMB'000		RMB'000		RMB'000	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Trade in nature:								
Contract assets								
– S.F. Technology Co., Ltd.	–	–	3,989	199	3,989	199	–	–
– SF Integrated Logistics (Shenzhen) Co., Ltd.	6,720	336	6,720	336	–	–	–	–
– S.F. Express (Dongguan) Co., Ltd.	–	–	4,100	205	4,100	205	–	–
– Shenzhen Shuncheng Supply Chain Service Co., Ltd.	1,417	71	–	–	–	–	–	–
– Shenzhen SF International Supply Chain Management Co., Ltd.	424	21	–	–	–	–	–	–
– Shenzhen Fenglang Supply Chain Co., Ltd.	136	7	–	–	–	–	–	–
	8,697	435	14,809	740	8,089	404	–	–

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade in nature:				
Trade and other payables				
– Sichuan Wulianyida Science and Technology Co., Ltd.	575	2,462	698	459
– S.F. Technology Co., Ltd.	–	–	844	844
– Anhui new automation equipment Co., Ltd.	3,172	1,023	849	849
– Dongguan SF Taisen Logistics Management Co., Ltd.	20	–	–	–
	3,767	3,485	2,391	2,152

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade in nature:				
Contract liabilities				
– S.F. Technology Co., Ltd.	12,445	3,936	9,469	16,892
– Hubei SF Express Co., Ltd.	–	17	–	–
– S.F. Express (Dongguan) Co., Ltd.	7,354	–	36	100
– Sichuan SF Express Co., Ltd.	8	–	–	–
	19,807	3,953	9,505	16,992

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-trade in nature:				
Lease liabilities				
– Dongguan SF Taisen Logistics Management Co., Ltd.	1,045	535	–	–

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-trade in nature:				
Trade and other payables				
– Shanghai Xinhong Newchuang Management Consulting Co., Ltd.	–	5,987	–	–

The non-trade balances of lease liabilities and trade and other payables with related parties as at December 31, 2023 were settled during the year ended December 31, 2024.

As at December 31, 2022, bank loans of RMB10,012,000 of the Group were guaranteed by the ultimate controlling parties of the non-controlling shareholders of Anhui Galaxis Technology Company Ltd.. The guarantee was released with the repayment of loans during the year ended December 31, 2023 (note 23(a)).

35 ULTIMATE CONTROLLING PARTY

The directors of the Company considered the ultimate controlling party of the Company as at the Track Record Period was Mr. Gu Chunguang.

36 POSSIBLE IMPACT OF NEW OR AMENDMENTS STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of issue of the Historical Financial Information, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting period beginning on or after
Amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial instruments	January 1, 2026
Annual improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, Presentation and disclosure in financial statements	January 1, 2027
IFRS 19, Subsidiaries without public accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for the year beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and IFRS18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

37 SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events have been occurred to the Company and its subsidiaries in respect of any period subsequent to September 30, 2025.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to September 30, 2025.

The information set forth in this appendix does not form part of the Accountants' Report prepared by KPMG, Certified Public Accountants, Hong Kong, the Company's reporting accountants as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of Zhejiang Galaxis Technology Group Co., Ltd.* (浙江凱樂士科技集團股份有限公司) (the "Company") and its subsidiaries (collectively the "Group") prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the Global Offering on the consolidated net tangible liabilities attributable to equity shareholders of the Company as at September 30, 2025 as if the Global Offering had taken place on that date.

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 financial position of the Group had the Global Offering been completed as at September 30, 2025 or any future dates.

	Consolidated net tangible liabilities attributable to equity shareholders of the Company as at September 30, 2025	Estimated net proceeds from the Global Offering	Estimated impact upon redesignation of redemption liabilities	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share	
	Note 1	Note 2 & 5	Note 3		Note 4 & 5	Note 5
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB*	*HK$*
Based on an Offer Price of HK$16.40 per Share	(1,196,586)	497,779	1,799,423	1,100,616	2.57	2.91
Based on an Offer Price of HK$20.40 per Share	(1,196,586)	623,119	1,799,423	1,225,956	2.87	3.25

Notes:

(1) The consolidated net tangible liabilities attributable to equity shareholders of the Company as at September 30, 2025 have been calculated based on the consolidated total deficit attributable to equity shareholders of the Company as at September 30, 2025 of RMB1,190,214,000 less intangible assets of RMB6,372,000 as at September 30, 2025, extracted from the Accountants' Report set out in Appendix I to this Prospectus.

(2) The estimated net proceeds from the Global Offering are based on 36,798,000 Shares to be issued at the estimated Offer Price of HK$16.40 per share (being the low-end of the Offer Price) and HK$20.40 per Share (being the high-end of the Offer Price), respectively, after deduction of the estimated underwriting fees and other related listing expenses paid or payable by the Group (excluding the listing expenses charged to profit or loss during the Track Record Period), assuming the Over-allotment Option is not exercised, and no Shares are issued under the Pre-IPO Share Option Schemes.

* For identification purpose only

(3) The estimated impact is calculated based on the redemption liabilities of RMB1,799,423,000 as of September 30, 2025 arising from the Company's obligation to buy back its own shares for cash (as set out in Note 25 to the Historical Financial Information included in the Accountants' Report in Appendix I to this prospectus). Upon the Listing and completion of the Global Offering, the redemption liabilities will be automatically terminated and will be re-designated from liabilities to equity.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share is arrived at after adjustments as described above and on the basis that 427,883,729 Shares were in issue immediately following completion of the Global Offering, assuming that the Global Offering had been completed on September 30, 2025 and the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes.

(5) For illustrative purpose, the estimated net proceeds from the Global Offering are converted from Hong Kong dollar into Renminbi and the unaudited pro forma adjusted consolidated net tangible assets attributable to the equity shareholders of the Company per Share is converted from Renminbi to Hong Kong dollar at the exchange rate of HK$1.00 to RMB0.8825, the exchange rate set by the People's Bank of China ("PBOC") prevailing on March 6, 2026. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at the rate or at any other date.

(6) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to September 30, 2025.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this prospectus.

KPMG

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF ZHEJIANG GALAXIS TECHNOLOGY GROUP CO., LTD.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Zhejiang Galaxis Technology Group Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at September 30, 2025 and related notes as set out in Part A of Appendix IIA to the prospectus dated March 16, 2026 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix IIA to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Global Offering") on the Group's financial position as at September 30, 2025 as if the Global Offering had taken place at September 30, 2025. As part of this process, information about the Group's financial position as at September 30, 2025 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at September 30, 2025 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Opinion

In our opinion:

(a) the pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

March 16, 2026

*The following is the preliminary financial information of our Group as of and for the year ended December 31, 2025 (the "**2025 Preliminary Financial Information**"), together with comparative figures as of and for the year ended December 31, 2024 and a discussion and analysis of our Group's financial condition and results of operations. The 2025 Preliminary Financial Information has not been audited. Investors should bear in mind that the 2025 Preliminary Financial Information in this Appendix IIB may be subject to adjustments.*

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi ("RMB"))

	Note	**Year ended December 31**	
		2024	**2025**
		RMB'000	*RMB'000 (unaudited)*
Revenue	2	721,417	908,699
Cost of sales		(607,855)	(754,286)
Gross profit		**113,562**	**154,413**
Other income	3(a)	17,425	12,536
Other net gain/(loss)	3(b)	110	(2,706)
Selling and marketing expenses		(40,853)	(49,141)
Administrative expenses		(60,924)	(72,562)
Research and development expenses		(61,995)	(73,667)
Impairment loss recognized on trade receivables and contract assets		(22,306)	(5,646)
Loss from operations		**(54,981)**	**(36,773)**
Net finance income	4(a)	4,226	2,039
Changes in the carrying amount of the redemption liability	12	(126,166)	(135,902)
Loss before taxation		**(176,921)**	**(170,636)**
Income tax	5(a)	(1,137)	(261)
Loss for the year		**(178,058)**	**(170,897)**
Loss attributable to:			
Equity shareholders of the Company		(168,958)	(172,448)
Non-controlling interests		(9,100)	1,551
Loss for the year		**(178,058)**	**(170,897)**

(Expressed in RMB)

	Note	Year ended December 31	
		2024	**2025**
		RMB'000	*RMB'000* *(unaudited)*
Loss for the year		(178,058)	(170,897)
Other comprehensive income for the year (after tax):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		194	(242)
Total comprehensive income for the year		**(177,864)**	**(171,139)**
Attributable to:			
Equity shareholders of the Company		(168,764)	(172,690)
Non-controlling interests		(9,100)	1,551
Total comprehensive income for the year		(177,864)	(171,139)
Loss per share			
Basic and diluted (RMB)	*6*	**(0.43)**	**(0.44)**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	As at December 31	
		2024	**2025**
		RMB'000	*RMB'000 (unaudited)*
Non-current assets			
Property, plant and equipment	*7*	115,207	106,910
Right-of-use assets		20,644	20,297
Intangible assets		9,585	7,401
Time deposits		21,208	50,526
Prepayments	*8(b)*	188	78
		166,832	185,212
Current assets			
Inventories	*9*	1,023,469	793,018
Trade and other receivables	*8(a)*	299,747	384,877
Contract assets	*10(a)*	93,013	108,460
Prepayments	*8(b)*	34,661	36,551
Financial assets measured at amortised cost		3,419	–
Financial assets measured at fair value through profit or loss		46,189	62,504
Income tax recoverable		7,112	13,040
Time deposits		141,343	49,424
Restricted cash		79,342	72,899
Cash and cash equivalents		111,191	89,549
		1,839,486	1,610,322
Current liabilities			
Trade and other payables	*11*	631,978	598,025
Contract liabilities	*10(b)*	652,999	496,063
Bank loans		17,225	34,247
Lease liabilities		2,394	3,499
Redemption liabilities	*12*	1,698,768	1,834,670
Income tax payable		832	462
Provisions		15,179	15,093
		3,019,375	2,982,059
Net current liabilities		**(1,179,889)**	**(1,371,737)**
Total assets less current liabilities		**(1,013,057)**	**(1,186,525)**

	Note	As at December 31	
		2024	2025
		RMB'000	*RMB'000* *(unaudited)*
Non-current liabilities			
Bank loans		44,303	36,667
Lease liabilities		2,899	1,694
Deferred income		5,500	5,850
		52,702	44,211
NET LIABILITIES		**(1,065,759)**	**(1,230,736)**
CAPITAL AND RESERVES			
Share capital		391,086	391,086
Reserves		(1,450,626)	(1,617,154)
Total deficit attributable to equity shareholders of the Company		**(1,059,540)**	**(1,226,068)**
Non-controlling interests		(6,219)	(4,668)
TOTAL DEFICIT		(1,065,759)	(1,230,736)

NOTES TO THE 2025 PRELIMINARY FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICY

The 2025 Preliminary Financial Information does not constitute the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2025 but is extracted from those financial statements.

(a) Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed in Note 2 in "Appendix I — Accountants' Report". There has been no change in the significant accounting policies used in preparing the consolidated financial statements for the years ended December 31, 2025 and 2024.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing these consolidated financial statements, the Group has adopted all applicable new and revised IFRS Accounting Standards for the accounting period beginning on 1 January 2025, except for any new standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning on 1 January 2025 are set out in note 14.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended December 31, 2025 comprise the Company and its subsidiaries.

As at December 31, 2025, the Group has net liabilities of RMB1,230.7 million and net current liabilities of RMB1,371.7 million, which are primarily due to the liabilities arising from redemption liabilities (see note 12) as current liabilities. The preferential rights will be waived upon a qualified Initial Public Offering of the Company and the redemption liabilities, amounting to RMB1,834.7 million as at December 31, 2025, will then be reclassified from liabilities to equity. Pursuant to the shareholders' resolution approved on June 25, 2025, the redemption rights have been terminated on the day prior to the first submission of the listing application subject to certain conditions (see note 12). Taken the above into consideration, and together with cashflow forecast for the twelve months from the date of this report prepared by management of the Group, the directors of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are providing sales of robots and systems and after-sales service and others.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
Revenue from sales of robots and systems	702,752	888,946
Revenue from after-sales service and others	18,665	19,753
	721,417	908,699

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000 (unaudited)*
Disaggregation by timing of revenue recognition		
Point in time	704,631	890,094
Over time	16,786	18,605
	721,417	908,699

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 2(b)(i).

The Group takes advantage of the practical expedient in paragraph 121 of IFRS 15 and does not disclose the remaining performance obligation as all of the Group's sale contracts have an original expected duration of less than 1 year.

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. The Group has one single operating segment and no further analysis of the single segment is presented.

(i) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

Revenues from external customers

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000 (unaudited)*
Chinese Mainland	616,501	850,099
Outside Chinese Mainland	104,916	58,600
	721,417	908,699

The non-current assets located outside Chinese Mainland are immaterial.

3 OTHER INCOME AND OTHER NET GAIN/(LOSS)

(a) Other income

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000 (unaudited)*
Government grants	10,743	5,135
Value-added tax credits	2,512	2,947
Tax refund	3,100	4,417
Insurance claims payment	65	–
Others	1,005	37
	17,425	12,536

(b) Other net gain/(loss)

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Net realized and unrealized gains from financial assets measured at amortised cost	73	–
Net realized and unrealized gains from financial assets measured at fair value through profit or loss	1,740	1,148
Net loss on disposal of property, plant and equipment	(7)	(2,817)
Net foreign exchange (loss)/gain	(1,380)	63
Others	(316)	(1,100)
	110	(2,706)

4 LOSS BEFORE TAXATION

Loss before taxation is arrived at after (charging)/crediting:

(a) Net finance income

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Interest on bank loans	(2,694)	(2,222)
Interest on lease liabilities	(452)	(277)
Other interest	(303)	–
Finance costs	(3,449)	(2,499)
Interest income	7,675	4,538
	4,226	2,039

(b) Staff costs

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Salaries, wages and other benefits	155,448	161,149
Contributions to defined contribution retirement schemes	7,454	7,994
Equity-settled share-based payment expenses	1,441	6,162
	164,343	175,305

Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government.

The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

All overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the countries/jurisdictions.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Cost of inventories *(note 9)*	607,855	754,286
Depreciation charge		
– property, plant and equipment	10,527	9,634
– right-of-use assets	6,653	3,848
Amortization cost of intangible assets	3,411	2,599
Increase in provisions	7,025	8,251
Impairment loss on trade receivables and contract assets	22,306	5,646
Research and development expenses	61,995	73,667
Listing expenses	–	16,215

5 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Current tax		
Provision for the year	1,137	261

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Loss before taxation	(176,921)	(170,636)
Notional tax on loss before taxation, calculated at the rates applicable to profits in the entities concerned	(44,543)	(42,268)
Tax effects of:		
– Additional deduction on research and development expenses	(10,576)	(13,158)
– Preferential tax rate	14,183	8,427
– Non-deductible expenses	621	1,721
– Temporary differences and unused tax losses not recognized	44,256	46,148
– Utilization of tax losses previously not recognized	(2,804)	(609)
Actual tax expense	1,137	261

Notes:

(i) Income tax rate applies to the Group:

According to the Corporate Income Tax Law of China (the "Tax Law"), the Group's subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which qualify as High and New Technology Enterprise ("HNTE") are entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis.

For the Hong Kong subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for the Hong Kong subsidiary was calculated at the same basis for the years ended December 31, 2025 and 2024.

Taxation for subsidiaries incorporated in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant countries.

(ii) An additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Income Tax Law and its relevant regulations after October 1, 2022.

6 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share for the year ended December 31, 2025 is based on the loss for the year attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue, calculated as follows:

(i) Loss attributable to ordinary equity shareholders of the Company

	Year ended December 31	
	2024	**2025**
	RMB'000	*RMB'000 (unaudited)*
Loss attributable to all equity shareholders of the Company	(168,958)	(172,448)
Allocation of loss for the year attributable to ordinary shares with redemption right *(note 12)*	118,559	121,008
Loss attributable to ordinary equity shareholders of the Company	(50,399)	(51,440)

(ii) Weighted average number of ordinary shares

	Year ended December 31	
	2024	**2025**
	'000	*'000 (unaudited)*
Issued ordinary shares at January 1	391,086	391,086
Effect of ordinary shares with redemption right *(note 12)*	(274,429)	(274,429)
Weighted average number of ordinary shares at December 31	116,657	116,657

(b) Diluted loss per share

For the years ended December 31, 2025 and 2024, share options granted under employee incentive schemes and ordinary shares with redemption right (note 12) were not included in the calculation of diluted loss per share because their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore the amounts of diluted loss per share were the same as basic loss per share.

7 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals of owned assets

For the year ended December 31, 2025, the Group acquired items of property, plant and equipment with a cost of RMB4,251,000 (2024: RMB3,546,000). Items of property, plant and equipment with a net book value of RMB2,914,000 were disposed of for the year ended December 31, 2025 (2024: RMB2,959,000), resulting in a loss on disposal of RMB2,817,000 (2024: RMB7,000).

As at December 31, 2024 and 2025, the Group's property, plant and equipment and land use right with carrying amount of RMB88,346,000 and RMB84,643,000 were pledged as collateral for the Group's bank loans, respectively.

8 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

	As at December 31	
	2024	2025
	RMB'000	RMB'000 (unaudited)
Bills receivables	17,085	19,303
Trade receivables		
– Related parties	8,501	3,316
– Third parties	253,307	330,025
Gross amount of trade and bills receivables	278,893	352,644
Less: loss allowance	(35,909)	(39,856)
	242,984	312,788
Bank acceptance notes receivable, carried at FVOCI	1,600	1,432
Pledge and guarantee deposits*	26,686	25,070
Value added tax recoverable and receivables	26,554	42,283
Other receivables	1,923	3,304
	56,763	72,089
	299,747	384,877

* Pledge and guarantee deposits mainly represented tender deposits and performance deposits which will be released to the Group upon the award and the completion of the relevant projects as the case may be.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade and bills receivables, based on the date of revenue recognition and net of loss allowance, is as follows:

	As at December 31	
	2024	2025
	RMB'000	RMB'000 (unaudited)
Within one year	182,324	236,940
Between 1 year and 2 years	14,983	57,212
Between 2 years and 3 years	36,591	1,279
Between 3 years and 4 years	9,086	17,357
	242,984	312,788

Bank acceptance notes receivable, carried at FVOCI

Due to the requirement of cash management, the Group endorsed or discounted part of the bank acceptance notes receivable to the suppliers or from bank. The business model of bank acceptance notes management is for the purpose of collecting cash flow of contracts and sales. Therefore, at December 31, 2024 and 2025, the Group classified bank acceptance notes receivable of RMB1,600,000 and RMB1,432,000 as bank acceptance notes receivable carried at fair value and whose changes are included in other comprehensive income.

(b) Prepayments

	As at December 31	
	2024	2025
	RMB'000	RMB'000 (unaudited)
Non-current		
Prepayments for property, plant and equipment and intangible assets	188	78

	As at December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Current		
Prepayments		
– Prepayments for listing expenses	–	1,633
– Prepayments for inventories	30,776	31,563
– Prepayments for expenses	3,885	3,355
	34,661	36,551

9 INVENTORIES

	As at December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Raw materials	62,555	54,117
Finished goods and work in progress	999,230	761,642
Less: write-down of inventories	(38,316)	(22,741)
	1,023,469	793,018

The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Carrying amount of inventories sold	601,469	769,861
Write-down/(reversal) of inventories	6,386	(15,575)
	607,855	754,286

10 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	As at December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Contract assets	100,467	117,613
Less: allowance for credit losses	(7,454)	(9,153)
	93,013	108,460

The Group typically agrees to a 1 year-3 years retention period for 5% or 10% of the contract value of sales contract. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's products keep properly functioning during the retention period.

(b) Contract liabilities

	As at December 31	
	2024	2025
	RMB'000	*RMB'000* *(unaudited)*
Contract liabilities	652,999	496,063

Movement in contract liabilities

	Year ended December 31	
	2024	2025
	RMB'000	*RMB'000 (unaudited)*
Balance at January 1	743,232	652,999
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(517,527)	(721,870)
Increase in contract liabilities as a result of receipts in advance	427,294	564,934
Balance at December 31	652,999	496,063

11 TRADE AND OTHER PAYABLES

	As at December 31	
	2024	2025
	RMB'000	*RMB'000 (unaudited)*
Trade payables		
– Third parties	450,791	419,245
– Related parties	2,391	3,036
Bills payable	126,081	121,521
	579,263	543,802
Other payables and accruals		
– Third parties	5,156	5,098
Listing expense payable	–	1,772
Financial liabilities measured at amortised cost	584,419	550,672
Accrued payroll and other benefits	20,806	25,536
Other taxes and charges payable	26,753	21,817
	631,978	598,025

As of the end of the reporting period, the ageing analysis of trade and bills payables based on the invoice date, is as follows:

	As at December 31	
	2024	2025
	RMB'000	*RMB'000 (unaudited)*
Within one year	421,395	387,112
Between one year and two years	107,106	105,941
Between two years and three years	32,312	31,687
Over three years	18,450	19,062
	579,263	543,802

12 REDEMPTION LIABILITIES

	As at December 31	
	2024	2025
	RMB'000	*RMB'000 (unaudited)*
Redemption liabilities	1,698,768	1,834,670

From August 23, 2014 to November 1, 2022, the Company conducted several rounds of financing by issuing shares to investors.

The investors are entitled to the same voting rights and dividend rights as other shareholders of the Company. They were also granted with preferential rights when they entered into the investment agreements with the Company. The key terms of preferential rights are summarised as follows:

Redemption rights

The investors shall have the right to put back to the Company the shares acquired upon the occurrence of specified triggering events, including a qualified initial public offering ("IPO") not being completed by December 31, 2024; or a breach of the investment agreements by the Company or its controlling shareholder.

The redemption price is the sum of 100% of the issue price, a compound interest of 8% per annum, and any declared but unpaid dividends.

Liquidation Preference

In the event of a liquidation, dissolution or winding up of the Company, all assets and funds of the Company legally available for distribution shall be distributed as follows:

(a) firstly, to the series E investors, at the subscription price paid by the series E investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(b) secondly, to the series D investors, at the subscription price paid by the series D investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(c) thirdly, to the series C investors, at the subscription price paid by the series C investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(d) fourthly, to the series B investors, at the subscription price paid by the series B investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(e) fifthly, to the series A investors, at the subscription price paid by the series A investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

(f) any remaining assets and funds shall be distributed rateably among all shareholders (including the investors) on a pro-rata basis.

The Company's obligation to buy back its own shares for cash gives rise to a financial liability. Such financial liability is accounted for in accordance with note 2(n) in "Appendix I — Accountants' Report").

Pursuant to the shareholders' resolution approved on June 25, 2025, all preferential rights will be terminated on the day immediately prior to the listing date except that the redemption rights have been terminated on the day prior to the first submission of the listing application, but shall again become exercisable upon (i) the Company voluntarily withdrawing the listing application; (ii) the regulatory authorities rejecting or refusing to approve the listing application; or (iii) the earlier of December 31, 2026 or the expiry of 18 months following the first submission of the listing application, if the listing is not completed by that time. The aforesaid amendments did not change the classification of these financial instruments in the consolidated statements of financial position.

Pursuant to the currently effective shareholders' agreement, the preferential rights include, among others, (i) the right to appoint directors; (ii) pre-emptive right, (iii) right of first refusal and co-sale, (iv) anti-dilution adjustment rights, (v) redemption rights, (vi) liquidation references, and (vii) information and inspection rights.

The movements of the redemption liabilities for the years ended December 31, 2025 and 2024 are set out as below:

	Redemption liabilities
	RMB'000
At January 1, 2024	1,572,602
Changes in the carrying amount	126,166
At December 31, 2024 and January 1, 2025	1,698,768
Changes in the carrying amount (unaudited)	135,902
At December 31, 2025 (unaudited)	1,834,670

13 DIVIDENDS

No dividends were paid or declared by the Company or any of its subsidiaries for the years ended December 31, 2025 and 2024.

14 POSSIBLE IMPACT OF NEW OR AMENDMENTS STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended December 31, 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting period beginning on or after
Amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial instruments	January 1, 2026
Annual improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, Presentation and disclosure in financial statements	January 1, 2027
IFRS 19, Subsidiaries without public accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for the year beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and IFRS18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

BUSINESS REVIEW AND OUTLOOK

We are an intelligent intralogistics robotics provider offering a diverse range of robots centered on three core product lines: multi-directional shuttle robots (MSRs), autonomous mobile robots (AMRs), and conveying and sorting robots (CSRs). Our robotics portfolio covers the entire spectrum of intralogistics operations, addressing the core functions of storage, sorting and transport. We are among the established players in the intelligent intralogistics robotics industry with broad robotics capabilities and a diverse portfolio of self-developed robots that cover core intralogistics functions across widely adopted height and payload specifications. With over a decade of long-standing commitment to innovation in intralogistics intelligentization, we ranked the fifth among the top five comprehensive intelligent intralogistics robotics companies in China by revenue in 2024. We remain focused on enriching our robot portfolio, expanding our market presence and deepening customer relationships to drive sustainable growth in both domestic and international markets.

Our revenue increased from RMB721.4 million in 2024 to RMB908.7 million in 2025, with corresponding gross profit of RMB113.6 million and RMB154.4 million and gross profit margin at 15.7% and 17.0% in 2024 and 2025, respectively. Our loss for the year narrowed from RMB178.1 million in 2024 to RMB170.9 million in 2025, and our adjusted net loss (non-IFRS measure) decreased from RMB50.5 million in 2024 to RMB12.6 million in 2025.

Going forward, we plan to implement the following strategies, which we believe, will further strengthen our core competitive strengths and enable us to capture rising business opportunities.

- Maintain product innovation leadership through continued investment in R&D;
- Strengthen overseas operations through selective market focus and localized execution;
- Expand into new industries and application scenarios while deepening penetration in core verticals;
- Enhance industry-chain collaboration to build a scalable intelligent intralogistics ecosystem;
- Continued revenue growth; and
- Further enhance our management and operating efficiency.

Since December 31, 2025 and up to the date of this prospectus, our business generally experienced continued growth and, to the best of our knowledge, (i) there has been no material adverse change in our financial or trading position; and (ii) there has been no material adverse change in our business, the industry in which we operate and/or market or regulatory environment to which we are subject.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased by 26.0% from RMB721.4 million for the year ended December 31, 2024 to RMB908.7 million for the year ended December 31, 2025, primarily attributable to higher revenue contribution from multi-function comprehensive systems projects, reflecting the recognition of 25 projects with contract value exceeding RMB10 million during 2025, compared to 18 such projects in 2024.

Cost of Sales

Our cost of sales increased by 24.1% from RMB607.9 million for the year ended December 31, 2024 to RMB754.3 million for the year ended December 31, 2025, primarily reflecting the corresponding increase in project costs in line with the increased project deliveries.

Gross Profit and Gross Profit Margin

Our gross profit increased by 36.0% from RMB113.6 million for the year ended December 31, 2024 to RMB154.4 million for the year ended December 31, 2025, and the gross profit margin increased from 15.7% in 2024 to 17.0% in 2025. The increase in gross profit margin was primarily attributable to the increase in gross profit margin of both multi-function comprehensive systems and single-function robot deployment as a result of improved project cost control. Specifically, we strengthened the management of planning proposals to prevent repetitive revisions, ensuring smooth project delivery and acceptance. We also optimized our supply chain management through strategic procurement practices.

Other Income

Our other income decreased by 28.1% from RMB17.4 million for the year ended December 31, 2024 to RMB12.5 million for the year ended December 31, 2025, mainly reflecting a decrease in government grants.

Other Net Gain/(Loss)

We recorded other net gain of RMB0.1 million and other net loss of RMB2.7 million for the year ended December 31, 2024 and 2025, respectively. Such changes are primarily attributable to losses arising from the disposal of certain equipment in 2025.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 20.3% from RMB40.9 million for the year ended December 31, 2024 to RMB49.1 million for the year ended December 31, 2025, primarily attributable to an increase in staff costs and service fees in connection with our business expansion and development.

Administrative Expenses

Our administrative expenses increased by 19.1% from RMB60.9 million for the year ended December 31, 2024 to RMB72.6 million for the year ended December 31, 2025, primarily attributable to additional Listing-related expenses incurred in 2025.

R&D Expenses

Our R&D expenses increased by 18.8% from RMB62.0 million for the year ended December 31, 2024 to RMB73.7 million for the year ended December 31, 2025, primarily attributable to increased staff costs to support ongoing product and technology development.

Impairment Loss Recognized on Trade Receivables and Contract Assets

Our impairment loss recognized on trade receivables and contract assets decreased by 74.7% from RMB22.3 million for the year ended December 31, 2024 to RMB5.6 million for the year ended December 31, 2025, primarily attributable to improved collection of long-aged receivables, which resulted in a reduction in impairment provisions based on updated recoverability assessments. For details, see "— Analysis of Key Items of Financial Position" in this section.

Net Finance Income

Our net finance income decreased by 51.8% from RMB4.2 million for the year ended December 31, 2024 to RMB2.0 million for the year ended December 31, 2025, primarily attributable to lower interest income from time deposits.

Income Tax

Our income tax expenses decreased from RMB1.1 million for the year ended December 31, 2024 to RMB0.3 million for the year ended December 31, 2025, in line with our assessable taxable income for the year.

Loss for the Year

As a result of the foregoing, our loss for the year decreased from RMB178.1 million for the year ended December 31, 2024 to RMB170.9 million for the year ended December 31, 2025.

Non-IFRS Measures

We define adjusted net loss (non-IFRS measure) as net loss for the year/period adjusted by adding back equity settled share-based payment expenses, changes in the carrying amount of the redemption liability and listing expenses.

To supplement our consolidated financial statements, we also use adjusted net loss (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure as an analytical tool has limitations, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. The following table reconciles our adjusted net loss (non-IFRS measure) for the years presented in accordance with IFRS, which is net loss for the year:

	For the year ended December 31	
	2024	**2025**
	(RMB'000)	
		(unaudited)
Loss for the year	(178,058)	(170,897)
Add:		
Equity settled share-based payment expenses[1]	1,441	6,162
Changes in the carrying amount of the redemption liability[2]	126,166	135,902
Listing expenses	–	16,215
Adjusted net loss (non-IFRS measure)	(50,451)	(12,618)

Notes:

(1) Equity settled share-based payment expenses are non-cash in nature.

(2) Changes in the carrying amount of the redemption liability represents the changes in the carrying amount of the redeemable special rights that we granted to certain Pre-IPO Investors. Such changes are non-cash in nature. Upon completion of the Global Offering, the financial liabilities will be re-designated from liabilities to equity as a result of the termination of such redeemable special rights of the Pre-IPO Investors.

Analysis of Selected Items from the Consolidated Statements of Financial Position

Net Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31	
	2024	**2025**
	(RMB'000)	
		(Unaudited)
Current assets		
Inventories	1,023,469	793,018
Trade and other receivables	299,747	384,877
Contract assets	93,013	108,460
Prepayments	34,661	36,551
Financial assets measured at amortized cost	3,419	–
Financial assets measured at FVTPL	46,189	62,504
Income tax recoverable	7,112	13,040
Time deposits	141,343	49,424
Restricted cash	79,342	72,899
Cash and cash equivalents	111,191	89,549
	1,839,486	**1,610,322**

	As of December 31	
	2024	2025
	(RMB'000)	
		(Unaudited)
Current liabilities		
Trade and other payables	631,978	598,025
Contract liabilities	652,999	496,063
Bank loans	17,225	34,247
Lease liabilities	2,394	3,499
Redemption liabilities	1,698,768	1,834,670
Income tax payable	832	462
Provisions	15,179	15,093
	3,019,375	**2,982,059**
Net current liabilities	**(1,179,889)**	**(1,371,737)**

Our net current liabilities increased from RMB1,179.9 million as of December 31, 2024 to RMB1,371.7 million as of December 31, 2025, primarily due to a decrease of RMB229.2 million in our current assets, partially offset by a decrease of RMB37.3 million in our current liabilities. The decrease of our current assets was primarily due to a decrease of RMB230.5 million in inventories and a decrease of RMB91.9 million in time deposits, partially offset by an increase of RMB85.1 million in trade and other receivables. The decrease of our current liabilities was primarily due to a decrease of RMB156.9 million in contract liabilities, partially offset by an increase of RMB135.9 million in redemption liabilities.

Inventories

Our inventories decreased from RMB1,023.5 million as of December 31, 2024 to RMB793.0 million as of December 31, 2025, primarily due to increased project completion and revenue recognition during 2025, which led to a reduction in work-in-progress and finished goods as inventories.

Trade and Other Receivables

Our trade and other receivables increased from RMB299.7 million as of December 31, 2024 to RMB384.9 million as of December 31, 2025, primarily due to an increase in trade receivables arising from higher project deliveries, which was in line with the expansion of our operations.

Contract Assets

Our contract assets increased from RMB93.0 million as of December 31, 2024 to RMB108.5 million as of December 31, 2025, primarily reflecting the growth in revenue recognized for projects pending billing milestones at year end.

Prepayments

Our prepayments remained relatively stable at RMB34.7 million as of December 31, 2024 and at RMB36.6 million as of December 31, 2025.

Financial Assets Measured at FVTPL

Our financial assets measured at FVTPL increased from RMB46.2 million as of December 31, 2024 to RMB62.5 million as of December 31, 2025, primarily due to increased investments in short-term wealth management products.

Time Deposits

Our time deposits decreased significantly from RMB141.3 million as of December 31, 2024 to RMB49.4 million as of December 31, 2025, primarily due to the maturity of short term time deposits and investment in long term time deposit.

Restricted Cash

Our restricted cash decreased from RMB79.3 million as of December 31, 2024 to RMB72.9 million as of December 31, 2025, primarily due to a reduction in bank acceptance bills following an increase in available credit facilities.

Cash and Cash Equivalents

Our cash and cash equivalents decreased from RMB111.2 million as of December 31, 2024 to RMB89.5 million as of December 31, 2025, primarily due to the increased use of funds for wealth management investments and operating activities.

Trade and Other Payables

Our trade and other payables decreased from RMB632.0 million as of December 31, 2024 to RMB598.0 million as of December 31, 2025, primarily due to increased settlement of trade payables in connection with project fulfillment.

Contract Liabilities

Our contract liabilities decreased from RMB653.0 million as of December 31, 2024 to RMB496.1 million as of December 31, 2025, primarily due to the increased revenue recognition upon fulfillment of certain major projects.

Indebtedness

The following table sets forth the breakdown of our indebtedness as at the dates indicated:

	As of December 31	
	2024	**2025**
	(RMB'000)	*(Unaudited)*
Current		
Bank loans	17,225	34,247
Lease liabilities	2,394	3,499
Redemption liabilities	1,698,768	1,834,670
Subtotal	1,718,387	1,872,416
Non-current		
Bank loans	44,303	36,667
Lease liabilities	2,899	1,694
Subtotal	47,202	38,361
Total	1,765,589	1,910,777

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates indicated:

	For the year ended/As of December 31,	
	2024	2025
Gross profit margin(1)	15.7%	17.0%
Current ratio(2)	0.6	0.5
Quick ratio(3)	0.3	0.3

Notes:

(1) Gross profit margin is calculated by dividing gross profit by our revenue for the year indicated.

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

(3) Quick ratio equals current assets, excluding inventories, divided by current liabilities as of the same date.

DIVIDENDS

No dividend has been paid or declared by us in 2024 and 2025. No dividend or distribution has been declared, made or paid by us or any of the subsidiaries in respect of any period subsequent to December 31, 2025.

DISCLOSURE ABOUT MARKET RISK

See "Financial Information — Quantitative and Qualitative Disclosure about Market Risk" in this prospectus for further information.

CODE ON CORPORATE GOVERNANCE PRACTICES

As we were not yet listed on the Hong Kong Stock Exchange for the year ended December 31, 2025, the Corporate Governance Code as set out in Appendix C1 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 members of the audit committee have discussed with our management, and reviewed, the 2025 Preliminary Financial Information as set out in the Appendix.

The unaudited financial information in respect of our consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended December 31, 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 December 31, 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 "**HKICPA**"). The work performed by the Reporting Accountants in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Reporting Accountants on the 2025 Preliminary Financial Information.

PURCHASE, SALES OR REDEMPTION OF OUR H SHARES

Since we were not yet listed on the Stock Exchange during the year ended December 31, 2025, this disclosure requirement is not applicable to us.

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which is subject to change or adjustment and may have retrospective effect. No issues on PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/appreciation tax, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Share.

TAXATION IN THE PRC

Taxation on Dividends

Individual Investor

Pursuant 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 31 August 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. Pursuant 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 13 May 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises.

Enterprise Investors

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-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-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-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 6 November 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-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-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 24 July 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-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 21 August 2006, the Chinese Government may levy taxes on the dividends paid by a Chinese 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 Chinese 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 in to effect on 6 December 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, after taking into account all relevant facts and conditions, are reasonably deemed to be obtaining such benefits, except when the grant of such benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. 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-PRC resident investors residing in countries which have entered into treaties for the avoidance of double taxation with the PRC or residing in Hong Kong or Macau are entitled to a reduction of the withholding taxes imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties/Arrangements with a number of countries and regions including Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant income tax treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the withholding tax in excess of the agreed tax rate, and the refund payment is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

Individual Investor

According to the IIT Law and its implementation rules, gains realized on the sale of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%.

Pursuant to the Circular on Continuing to Temporarily Exempt Individual Income Tax on Income from the Transfer of Shares by Individuals (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the SAT in March 1998, from 1 January 1997, income of individuals from transfer of the shares of listed enterprises shall continue to be exempted from individual income tax. On 31 December 2009, the MOF, the SAT and CSRC jointly issued the Circular on Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Company (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), this circular provides that any individual's income from the transfer of listed shares on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Company (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued by the abovementioned three departments on 10 November 2010).

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

Enterprise Investors

In accordance with the EIT Law and its implementation rules, a non-resident enterprise is generally subject to enterprise income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, 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. Such income tax payable for non-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. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》) issued by the SCNPC on 10 June 2021 and implemented on 1 July 2022, the PRC stamp duty applies to entities and individuals that conclude taxable documents and conduct securities transactions within the PRC and the entities and individuals that conclude taxable documents outside the PRC which are used within the PRC. Therefore, the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies does not apply to the acquisition and disposal of H shares outside the PRC by non-PRC investors.

Estate Duty

The PRC currently does not impose any estate duty.

HONG KONG TAXATION

Taxation on Dividends

No tax is payable in Hong Kong in respect of dividends paid by our Company.

Profits Tax

Hong Kong profits tax will not be payable by any Shareholders (other than Shareholders carrying on a trade, profession or business in Hong Kong and holding the Shares for trading purposes) on any capital gains made on the sale or other disposal of the Shares. Shareholders should take advice from their own professional advisers as to their particular tax position.

Stamp Duty

Hong Kong stamp duty will be charged on the sale and purchase of Shares at the current rate of 0.2% of the consideration for, or (if greater) the value of, the Shares being sold or purchased, whether or not the sale or purchase is on or off the Stock Exchange. The Shareholder selling the Shares and the purchaser will each be liable for one-half of the amount of Hong Kong stamp duty payable upon such transfer. In addition, a fixed duty of HK$5 is currently payable on any instrument of transfer of Shares.

Estate Duty

Hong Kong estate duty was abolished effective from 11 February 2006. No Hong Kong estate duty is payable by Shareholders in relation to the Shares owned by them upon death.

Major Taxes on the Company in the PRC

EIT

According to the EIT Law, which was promulgated on 16 March 2007 and amended from time to time, together with its implementation rules, enterprises are classified into resident enterprises and non-resident enterprises. Enterprises, which are incorporated in the PRC or incorporated pursuant to the foreign laws with their "de facto management bodies" located in the PRC, are deemed as "resident enterprise" and subject to an enterprise income tax rate of 25% on their global income. Non-resident enterprises are subject to (i) an enterprise income tax rate of 25% on their income generated by their establishments or places of business in the PRC and their income derived outside the PRC which are effectively connected with their establishments or places of business in the PRC; and (ii) an enterprise income tax rate of 10% on their income derived from the PRC but not connected with their establishments or places of business located in the PRC. Non-resident enterprises without establishment or place of business in the PRC are subject to an enterprise income tax of 10% on their income derived from the PRC.

Value-Added Tax

According to the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated on 13 December 1993 and latest amended on 19 November 2017, together with its implementation rules, entities and individuals engaged in selling goods or labor services of processing, repair or maintenance, selling services, intangible assets or immovables within the PRC or importing goods to the PRC are subject to the payment of value-added tax. Pursuant to the Notice of the Ministry of Finance of the PRC and State Taxation Administration of the PRC on 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 on 1 May 2018, a taxpayer who is previously subject to 17% on value-added tax-taxable sales activities shall have the applicable tax rate adjusted to 16%. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), which came into effect on 1 April 2019, for value-added tax-taxable sales or imported goods of a value-added tax general taxpayer where the value-added tax rate of 16% applies currently, it shall be adjusted to 13%.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the PRC Foreign Currency Administration Rules (《中華人民共和國外匯管理條例》) promulgated on 29 January 1996 and amended from time to time, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the SAFE or its designated banks is obtained.

According to the SAFE Notice on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項 目結匯管理政策的通知》) promulgated on 9 June 2016, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign currency capital and foreign debts) may convert from foreign currency into RMB on self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

According to the SAFE Circular on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on 23 October 2019, foreign-invested enterprises engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to law on the condition that the current Special Administrative Measures for Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

On 26 December 2014, the SAFE issued the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》). Pursuant to the notice, a domestic company shall, within 15 business days of the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the prospectus and other disclosure documents. A domestic company (except for bank financial institutions) shall present its certificate of overseas listing to open a "special account for overseas listing of domestic company" at a local bank for its initial public offering (or follow-on offering) and repurchase business to handle the exchange, remittance, and transfer of funds for the business concerned.

SUMMARY OF PRINCIPAL PRC LEGAL AND REGULATORY PROVISION

This Appendix contains a summary of laws and regulations on companies and securities in the PRC. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulations applicable to us. This summary is with no intention to include all the information which may be important to the potential investors. For discussion of laws and regulations specifically governing the business of the Company, see "Regulatory Overview."

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 revision) (《中華人民共和國立法法(2023修正)》 (the "**Legislation Law**"), the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State in accordance with the Constitution. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the State Audit Administration, organs endowed with administrative functions directly under the State Council and the organizations prescribed by laws may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, ecological civilization development, grassroots governance, and historical and cultural protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on 10 June 1981, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People's Courts (2018 revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher level people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the judicial administration of the people's courts at all levels.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**") was adopted in 1991 and amended in 2007, 2012, 2017, 2021 and 2023, and its latest version has come into effect on 1 January 2024. The Civil Procedure Law sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity. However, if the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest, or if other circumstances specified in Article 300 of the Civil Procedure Law occur, the people's court shall, upon examination, not to recognize or enforce such judgment or ruling.

THE PRC COMPANY LAW, TRIAL MEASURES AND GUIDANCE FOR ARTICLES OF ASSOCIATION

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law (2023 Amendment) (《中華人民共和國公司法(2023修正)》) which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29,2023 respectively and the latest amendment of which has been implemented on July 1, 2024.

- The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and its five guidelines which were promulgated by the CSRC on 17 February 2023 and came into effect on 31 March 2023, applicable to the overseas offering and listing of joint stock limited companies; and

- The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidance for Articles of Association**") which was latest amended and came into effect on March 28, 2025 by the CSRC. The related Guidance for Articles of Association are set out in the Articles of Association of the Company, the summary of which is set out in the section entitled "Appendix V — Summary of the Articles of Association" in this document.

Set out below is a summary of the major provisions of the PRC Company Law, Trial Measures and Guidance for Articles of Association.

General

A joint stock limited company refers to an enterprise legal person incorporated under the PRC Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by law, the joint stock limited company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

Incorporation

A joint stock company with limited liability may be established by promotion or subscription.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters must convene an inaugural meeting within 30 days after the full payment of the shares to be issued at the time of the establishment of the company, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of subscribers holding a majority of the voting rights. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must authorize a representative to apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

If a promoter does not contribute in accordance with the shares subscribed for by it or if the actual value of the non-monetary property contributed as capital is significantly less than the shares subscribed for, the other promoters shall be jointly and severally liable with it to the extent of the shortfall in the capital contribution.

Share Capital

The promoters of a company can make capital contributions in cash or in kind, which can be valued in currency and transferable according to law such as intellectual property rights or land use rights based on their appraised value.

If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares.

A company may issue registered or bearer share. However, shares issued to promoter(s) or legal person(s) shall be in the form of registered share and shall be registered under the name(s) of such promoter(s) or legal person(s) and shall not be registered under a different name or the name of a representative.

Under the Trial Measures, if a domestic enterprise issues shares overseas, it may raise funds and make dividend distributions in foreign currency or RMB. Subject to specific circumstances, the Trial Measures requires that, among other things, (i) initial public offerings or listings on overseas markets of domestic companies shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorise the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of registered shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations. Bearer shares are transferred by delivery of the share certificates to the transferee.

Shares held by a promoter of a company shall not be transferred within one year after the date of the company's incorporation. Shares issued by a company prior to the public offer of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall not transfer over 25% of the shares held by each of them in the company each year during their term of office and shall not transfer any share of the company held by each of them within one year after the listing date. There is no restriction under the PRC Company Law as to the percentage of shareholding a single shareholder may hold in a company.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders' meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Under the Trial Measures, if a domestic enterprise issues shares overseas, it may raise funds and make dividend distributions in foreign currency or RMB. Subject to specific circumstances, the Trial Measures requires that, among other things, (i) initial public offerings or listings on overseas markets of domestic companies shall be filed with the CSRC within three working days after the

relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas.

Registered Shares

Under the PRC Company Law, the shareholders may make capital contributions in cash, or alternatively may make capital contributions with such valuated non-monetary property as physical items, intellectual property rights, and land-use rights that may be valued in monetary term and may be transferred in accordance with the law.

Under the PRC Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the number of shares held by each shareholder;
- the serial numbers of shares held by each shareholder; and
- the date on which each shareholder acquired the shares.

Increase of Share Capital

According to the PRC Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders. When the company launches a public issuance of new shares with the approval of the securities regulatory authorities of the State Council, it shall publish a document and financial and accounting reports, and prepare the share subscription form. After the new share issuance has been paid up, the change shall be registered with the company registration authorities and an announcement shall be made.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital shall be approved by a shareholders' general meeting;
- it shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper within 30 days after the resolution approving the reduction has been passed;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts; and

- it shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

Repurchase of Shares

According to the PRC Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a shareholders' general meeting; (v) use of shares for conversion of convertible corporate bonds issued by a listed company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' interest.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' general meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be canceled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total issued shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share buyback is made under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the PRC Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's general meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

Under the PRC Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the company annually during their tenure. They shall not transfer the shares they hold within one year from the date on which the company's shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the company.

Shareholders' General Meetings

The shareholders' general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law.

Under the PRC Company Law, the shareholders' general meeting exercises the following principal powers:

- to elect or remove the directors and supervisors (other than the representative of the employees of the company) and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the company's proposed annual financial budget and final accounts;
- to examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and other matters;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

Shareholders' annual general meetings are required to be held once every year. Under the PRC Company Law, an extraordinary shareholders' general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total paid-in share capital;
- when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors so requests; or
- other circumstances as provided for in the articles of associations.

Under the PRC Company Law, shareholders' general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the PRC Company Law, notice of shareholders' general meeting shall state the time, venue and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholder's general meetings shall be given to all shareholders 15 days prior to the meeting. For the issuance of bearer share certificates, the time and venue of and matters to be considered at the meeting shall be announced 30 days before the meeting. Under the Guidance for Articles of Association, after the notice of the general meeting of shareholders is issued, the general meeting of shareholders shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of general meeting of shareholders shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

Under the PRC Company Law, shareholders present at shareholders' general meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the PRC Company Law and the Guidance for Articles of Association, resolutions of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) the merger, division, dissolution, liquidation or change in the form of the company; (iv) any purchase or sale of major assets or any provision of guarantee within one year in an amount in excess of 30% of the Company's latest audited total assets; (v) any equity incentive scheme; and (vi) any other matters specified by laws, administrative regulations or the Articles of Association and other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the PRC Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board

Under the PRC Company Law, a joint stock company with limited liability, other than that of small scale or with a limited number of shareholders which may not have a board of directors, shall have a board of directors, which shall consist of 3 or more members. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the PRC Company Law, the board of directors mainly exercises the following powers:

- to convene the shareholders' general meetings and report on its work to the shareholders' general meetings;
- to implement the resolutions passed in shareholders' general meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's proposed annual financial budget and final accounts;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;
- to formulate the company's basic management system; and
- to exercise any other power under the articles of association.

Board Meetings

Under the PRC Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall beheld only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from that liability.

Chairman of the Board

Under the PRC Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The PRC Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;

- a person who has been convicted of an offense of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence or less than two years have elapsed since the expiration of the probation period for suspended sentence;

- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation; or

- a person who has been listed as a dishonest person subject to enforcement by the people's court due to a relatively large amount of debts that are overdue.

Manager and Senior Management

Under the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors.

The manager shall exercise his/her powers in accordance with provisions of the articles of association or as authorized by the board of directors. The manager attends board meetings.

According to the PRC Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the PRC Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating of the company's properties. Directors and senior management are prohibited from:

- embezzling the company's properties or misappropriating of the company's capital;
- depositing the company's capital into accounts under his own name or the name of other individuals;
- abusing their powers to accept any bribery or other illegal income;
- accepting and possessing commissions paid by a third party for transactions conducted with the company;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their duty of loyalty to the company.

Without reporting to the board of directors or the general meeting and obtaining approval of the board of directors or the general meeting as required by the articles of association of the company, directors, supervisors and senior management shall not directly or indirectly enter into any contract or transaction with the company, take advantage of their positions to pursue business opportunities which otherwise are available to and could be taken by the company for the benefit of themselves or others, or operate a business similar to the business of the company they work for in favor of themselves or others. In voting for proposals for the aforementioned matters by the board of directors, interested directors shall not vote and their voting rights shall not be counted in the total valid votes. If the number of uninterested directors attending the meeting is less than three, relevant proposals shall be submitted to the general meeting for consideration.

Income generated by directors or senior management in violation of their duty of loyalty shall be returned to the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Where a director, supervisor or senior management is required to attend a general meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. The supervisory committee may require directors and senior management to submit their reports on the performance of duties. Directors and senior management shall furnish all true information and data to the supervisory committee, without impeding the discharge of duties by the supervisory committee or supervisors.

Where a director or senior management contravenes law, administrative regulation or articles of association in the performance of his/her duties resulting in any loss to the company, shareholder(s) holding individually or in aggregate no less than 1% of the company's shares consecutively for at least 180 days may request in writing that the supervisory committee institute litigation at a people's court on its behalf. Where a supervisor violates the laws or administrative regulations or the articles of association in the discharge of its duties resulting in any loss to the company, such shareholder(s) may request in writing that the board of directors institute litigation at a people's court on its behalf. If the supervisory committee or the board of directors refuses to institute litigation after receiving this written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the company's interests, such shareholder(s) shall have the power to institute litigation directly at a people's court in its own name for the company's benefit. For other parties who infringe the lawful interests of the company resulting in loss to the company, such shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where a director or senior management contravenes any laws, administrative regulations or the articles of association in infringement of shareholders' interests, a shareholder may also institute litigation at a people's court. Where the directors, supervisors and senior management of a wholly-owned subsidiary of a company fall into any of the aforementioned circumstances, or any other person infringes upon the lawful rights and interests of the wholly-owned subsidiary of the company and causes losses, the shareholders of the Company who individually or collectively hold no less than 1% of the company's shares for more than 180 consecutive days may, in accordance with the aforementioned provisions, request in writing the supervisory committee and the board of directors of the wholly-owned subsidiary to bring a lawsuit to the people's court or bring a lawsuit directly to the people's court in their own name.

Finance and Accounting

Under the PRC Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the PRC Company Law, the company shall deliver its financial and accounting reports to all shareholders within the time limit stipulated in the articles of association and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting of shareholders. It must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' general meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

Shares held by the Company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The Company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. However, the capital reserve fund may not be applied to make up the company's losses. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

Pursuant to the PRC Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' general meeting or board of directors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting or board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

The Guidance for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report.

Distribution of Profits

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, its registration with the authority must also be changed.

Dissolution and Liquidation

According to the PRC Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders' general meeting have resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders.

The company shall, within ten days of the occurrence of any of the aforementioned reasons for dissolution, disclose the reasons for dissolution on the National Enterprise Credit Information Publicity System.

In the event of (i) or (ii) above, it may carry on its existence by amending its articles of association or passing a resolution at a general meeting. The amendment of the articles of association in accordance with provisions set out above shall require approval of more than two-thirds of voting rights of shareholders attending a general meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established and the liquidation process shall commence within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors or the personnel appointed by the shareholders' general meeting. If a liquidation group is not established within the stipulated period, creditors may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to handle the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to handle the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' general meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to cancel the company's registration, and a public notice of its termination shall be issued. Members of the liquidation group are required to discharge their duties honestly and in compliance with the relevant laws. Members of the liquidation group shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

Subject to specific circumstances, the Trial Measures and its guidelines require that, among other things, (i) initial public offerings or listings on overseas markets of domestic companies shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas; and (iv) if the overseas offering or listing has not been completed within one year upon the completion of the filing with CSRC, the filing documents shall be updated if such overseas offering or listing is going to further proceed.

Termination of Listing

The PRC Securities Law (2019 revision) (《中華人民共和國證券法》(2019年修訂)) ("**PRC Securities Law**") stipulates that the trading of shares of a company of a stock exchange may be terminated if so decided by the stock exchange.

Where the stock exchange decides on delisting of securities, it shall promptly announce and file records with the securities regulatory authority of the State Council.

The Trial Measures requires that, upon the occurrence of voluntary or mandatory delisting after an issuer has offered and listed securities on an overseas market, the issuer shall submit a report to CSRC within three working days after the occurrence and public announcement of such event.

Merger and Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

SECURITIES LAW AND REGULATIONS

CSRC, a ministerial-level public institution directly under the State Council, performs a unified regulatory function, according to the relevant laws and regulations, and with the authority by the State Council, over the securities and futures market of China, maintains an orderly securities and futures market order, and ensure a legal operation of the capital market.

The PRC Securities Law took effect on 1 July 1999 and was revised on 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014 and 28 December 2019, respectively. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**Arbitration Law**") was passed by the Standing Committee of the NPC on 31 August 1994, became effective on 1 September 1995 and was amended on 27 August 2009 and 1 September 2017. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, shall apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") adopted on 10 June 1958 pursuant to a resolution of the Standing Committee of the NPC passed on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On 18 June 1999, the Supreme People's Court adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《關於內地與香港特別行政區相互執行仲裁裁決的安排》) (the "**Arrangement**"), which became effective on 1 February 2000. In accordance with this arrangement, and its supplemental arrangements, upon satisfying certain requirements, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

On November 26, 2020, the PRC Supreme People's Court issued the Supplementary Arrangements of the Supreme People's Court on Reciprocal Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) (the "Supplementary Arrangements"). Pursuant to the Supplementary Arrangements, before or after accepting an application for enforcement of an arbitral award, the court concerned may take measures for preservation or enforcement in accordance with the application and the law of the place where the arbitral award is to be executed.

Judicial judgment and its enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland China and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People's Court on January 25, 2024 and implemented on January 29, 2024, the courts of Hong Kong and the People's Republic of China recognize each other and enforce legally binding judgments in civil and commercial cases. The content of the mutual recognition and enforcement of the judgment includes the monetary judgment and the non-monetary judgment, of which the scope of payment of the property and the mutual recognition and execution includes the property paid and the corresponding interest, litigation costs, late performance fines, and interest on late performance as determined by the judgment, excluding taxes and fines.

SHARES

Issuance of Shares

The shares of the Company shall take the form of share certificates. Share certificates of the Company shall be in registered form.

The shares of the Company shall be issued on the principles of transparency, fairness and equality, and each share of the same class shall be entitled to the same rights.

Shares of the same class issued at the same time shall have the same issuance conditions and price per share; and all subscribers shall pay the same price per share for shares they subscribe for.

Increase, Decrease and Repurchase of Shares

In accordance with laws and regulations, the Company may, based on its operating and development needs and the resolution of a shareholders' meeting, increase its capital in the following manners:

(I) public offering of shares;

(II) non-public offering of shares;

(III) placing or distributing bonus shares to existing shareholders;

(IV) converting capital reserve into share capital;

(V) other means stipulated by laws and administrative regulations or approved by regulatory bodies.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted according to procedures stipulated by relevant national laws, administrative regulations, and listing rules of the stock exchange where the Company's shares are listed.

The Company may not repurchase its shares unless any such repurchase is:

(I) to reduce the Company's registered capital;

(II) to merge with other companies holding shares of the Company;

(III) to grant shares for the employee stock ownership plan or as share inventive;

(IV) to acquire shares of a shareholder who requests the Company to acquire his/her shares due to his/her disagreement on the merger or division resolution passed by a shareholders' meeting;

(V) to utilize shares for the conversion of convertible corporate bonds issued by the Company;

(VI) necessary for the Company to maintain its corporate value and the equity of shareholders;

(VII) falling within other circumstances permitted by laws, administrative regulations, departmental rules, and listing rules of the stock exchange where the Company's shares are listed.

The Company may decrease its registered capital. Such decrease shall be made in accordance with the procedures stipulated in the Company Law, other relevant provisions and the Articles of Association.

Any acquisition by the Company of its shares under any of the circumstances set forth in subparagraphs (I) and (II) shall be subject to a resolution of a shareholders' meeting; and any acquisition by the Company of its shares under the circumstances set forth in subparagraphs (III), (V) and (VI) shall, pursuant to the Articles of Association or the authorization of a shareholders' meeting, be subject to a resolution of a meeting of the Board of Directors at which more than two-thirds of the Directors are present.

The shares acquired by the Company shall be cancelled within 10 days from the date of acquisition under the circumstance set forth in subparagraph (I) of Article 22; shall be transferred or cancelled within six months under the circumstances set forth in subparagraph (II) or (IV); and shall be transferred or cancelled within three years under the circumstances set forth in subparagraph (III), (V) or (VI), in which case the number of shares held by the Company aggregately shall not exceed 10% of its total issued shares.

Where the relevant laws, regulations, normative documents, and regulatory rules of the stock exchange where the Company's shares are listed otherwise have provisions in respect of matters related to the aforesaid share repurchase, such provisions shall prevail.

Transfer of Shares

Shares of the Company may be transferred to other shareholders or to persons other than shareholders. Unless otherwise specified in laws, administrative regulations, departmental rules, and the regulatory rules of the stock exchange where the Company's shares are listed and the Hong Kong Stock Exchange, the fully paid shares of the Company, not be subject to any limitation of the transfer right, may be transferred freely and shall have no lien attached. The transfer of overseas shares listed in Hong Kong shall be registered with the securities registrar in Hong Kong appointed by the Company. The Company shall not accept shares of the Company as the subject of any pledge.

Shares issued by the Company prior to its public offering shall not be transferred within 1 year from the date on which the shares are listed and traded in the stock exchange.

The Directors and senior management of the Company shall declare to the Company the information on their holdings of the shares of the Company and its changes. During the term of office determined upon taking office, the shares of the same class any Director or senior management transfers each year shall not exceed 25% of the total number of shares of the Company held by him/her. The shares that any Director or senior management holds in the Company shall not be transferred within 1 year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation.

All H Shares shall be transferred by way of written transfer instrument in general or ordinary form, or any other format acceptable to the Board of Directors (including the standard transfer format or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time). The instruments of transfer may only be signed by hand or (where the transferor or transferee is a corporation) by an effective seal. Where the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its agent, the transfer instrument may be signed by hand or in a machine-printed format. All transfer instruments shall be kept at the legal address of the Company or such places as the Board of Directors designates from time to time.

Register of Shareholders

The Company shall establish a register of shareholders, and the register of shareholders is sufficient evidence to prove that the shareholders hold the shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

When the Company convenes a shareholders' meeting, distributes dividends, undergoes liquidation or engages in other acts that require the identification of shareholders, the Board of Directors or the convener of the shareholders' meeting shall determine the record date. Shareholders whose names appear on the register of shareholders on the record date shall be the shareholders entitled to the relevant rights and interests.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Rights and Obligations of Shareholders

Shareholders of the Company enjoy the following rights:

(I) to receive dividends and other forms of interest distributions in proportion to their shareholdings;

(II) to request, convene, preside over, attend in person or appoint a proxy to attend and address the meeting and vote on his/her behalf at a shareholders' meeting in accordance with laws (except where a shareholder is required by the Hong Kong Listing Rules to abstain from voting on specific matters);

(III) to supervise, provide recommendations on or make inquiries about the operations of the Company;

(IV) to transfer, donate or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;

(V) to inspect the Articles of Association, Counterfoil of corporate bonds, register of shareholders (including register of shareholders of H Shares), minutes of shareholders' meetings, resolutions of Board meetings, and financial and accounting reports;

(VI) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

(VII) to request the Company to acquire their shares for the shareholders who voted against any resolution adopted at the shareholders' meeting concerning the merger or division of the Company;

(VIII) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

(I) to abide by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association;

(II) to pay capital contribution according to the number of shares subscribed for and the method of subscription;

(III) not to withdraw the shares unless required by the laws and administrative regulations;

(IV) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages according to laws.

(V) not to abuse the status of the Company as an independent legal person or the limited liability of a shareholder to prejudice the interests of the creditors of the Company, and where shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability of shareholders for the purposes of evading debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company. Where a shareholder uses two or more companies under his or her control to commit the above acts, each company shall be jointly and severally liable for the debts of either company.

(VI) other obligations stimulated by laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Proxy of Shareholder

A shareholder may attend a shareholders' meeting in person, or may appoint other persons as his/her proxy to attend and vote on his/her behalf. Any shareholder entitled to attend and vote at the shareholders' meeting shall have the right to appoint 1 or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf.

The proxy form provided by a shareholder to appoint another person to attend a shareholders' meeting shall contain the following particulars:

(I) name of the proxy;

(II) whether the proxy has the right to vote (including on ad hoc proposals that may be included in the agenda of the shareholders' meeting) and indication of which right to vote should be exercised;

(III) instruction of voting for, against or abstain for each resolution proposed at any shareholders' meeting;

(IV) date of signing the proxy form and the effective period for such appointment;

(V) signature (or seal) of the appointing shareholder. Where the appointing shareholder is not a natural person, the seal of the organization shall be affixed or the legally authorized person shall sign on the same.

The proxy form shall state whether the proxy may vote as he/she thinks fit in the absence of instructions from the shareholder.

The proxy form shall be deposited at the domicile of the Company or such other place as the notice of the meeting may specify not less than 24 hours prior to convening of the meeting at which the relevant matters will be voted on, or 24 hours before the designated voting time.

Where the proxy voting form is signed by any other person authorized by the appointing shareholder, such proxy form or other authorization documents shall be notarized to be effective. The notarized proxy form or other authorization documents, together with the proxy voting form, shall be maintained in the Company's domicile or other place specified in the notice of meeting.

Where the appointing shareholder is not a natural person, if the legal representative or representative appointed by the managing partner or any other person is unable to sign the proxy form for any reason, a person authorized by a resolution of the Board of Directors or any other decision-making body (in the absence of the Board of Directors) shall attend the Company's shareholders' meeting as a representative.

Powers of and Matters to be Determined by the Shareholders' Meeting

The shareholders' meeting is the power of authority of the Company, which shall exercise the following functions and powers in accordance with the law:

(I) to elect or replace Directors who are not employee representatives and to decide on matters relating to the remuneration of Directors;

(II) to consider and approve reports of the Board of Directors;

(III) to consider and approve the Company's profit distribution plans and loss recovery plans;

(IV) to decide on any increase or decrease of the Company's registered capital;

(V) to decide on the issue of bonds or other securities by the Company;

(VI) to decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(VII) to amend the Articles of Association;

(VIII) to decide on the appointment and dismissal of accounting firms by the Company;

(IX) to consider and approve the provision of transactions stipulated in Article 42;

(X) to consider and approve the provision of guarantees stipulated in Article 43;

(XI) to consider and approve the provision of related party transactions stipulated in Article 45;

(XII) to consider matters relating to the purchases and disposals of the Company's material assets within 1 year, which exceed 30% of the Company's latest audited total assets;

(XIII) to consider the share incentive scheme and employee stock ownership scheme;

(XIV) to consider and approve matters relating to changes in the use of proceeds;

(XV) to decide on the repurchase of the Company's shares due to circumstances stipulated in Article 22 (I) and (II);

(XVI) to consider other matters as required by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association, which shall be decided by the shareholders' meeting.

When a transaction of the Company (excluding the provision of guarantees) meets any of the following criteria, the transaction shall be submitted to the shareholders' meeting for consideration:

(I) where total assets involved in the transaction account (if the total assets involved in the transaction have both book value and appraised value, the higher one shall prevail) for more than 50% of the Company's latest audited total assets;

(II) where transaction amount accounts for more than 50% of the Company's market value;

(III) where the net asset of the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's market value;

(IV) where operating revenue related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited operating revenue for the latest accounting year, with an amount exceeding RMB50 million;

(V) where profit derived from the transaction accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an amount exceeding RMB5 million;

(VI) where net profit related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an amount exceeding RMB5 million;

(VII) where the Company applies to a bank or any other financial institution for a line of credit, borrowing, opening of bank acceptance bills, opening of letters of credit, discounting of bills, and other financing operations, with the single amount accounting for 50% or more of the Company's latest audited net assets;

(VIII) other matters as required by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association, which shall be decided by the shareholders' meeting.

If a number involved in the above indicators is negative, its absolute value shall be taken for the purpose of calculation.

Resolutions at the shareholders' meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution put forward at a shareholders' meeting shall be passed by votes representing more than half of the voting rights held by the shareholders (including their proxies) attending the shareholders' meeting.

Special resolutions put forward at a shareholders' meeting shall be passed by votes representing more than two-thirds of voting rights held by the shareholders (including their proxies) attending the meeting.

Shareholders (including proxies) shall exercise their voting rights based on the number of the shares with voting rights they represent, each share shall carry one vote.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights present at shareholders' meetings.

The following matters shall be approved by special resolutions at the shareholders' meeting:

(I) increase or decrease of the registered capital of the Company;

(II) division, spin-off, merger, dissolution and liquidation of the Company or change of corporate form of the Company;

(III) amendments to the Articles of Association;

(IV) purchase or sale of material assets or guarantees by the Company in excess of 30% of the Company's latest audited total assets within a period of 1 year;

(V) share incentive schemes;

(VI) other matters prescribed by the laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association, and those matters determined by ordinary resolutions at a shareholders' meeting to have a material impact on the Company and required to be approved by special resolutions.

The following matters shall be approved by ordinary resolutions at a shareholders' meeting:

(I) work reports of the Board of Directors;

(II) profit distribution plans and loss recovery plans formulated by the Board of Directors;

(III) appointment and dismissal of the members of the Board of Directors, their remunerations and the method of payment thereof;

(IV) annual report of the Company;

(V) election or replacement of Directors who are not employee representatives and to decide on matters relating to the remuneration of Directors;

(VI) decision on the appointment and dismissal of accounting firms by the Company and their remunerations (or method of payment thereof);

(VII) other matters except for those prescribed by laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association that shall be approved by special resolutions.

Convening, Proposals and Notices of Shareholders' Meetings

More than one-third of Directors shall have the right to propose the Board of Directors to convene an extraordinary meeting, and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to convene the extraordinary meeting within 10 days after receiving the proposal. Independent non-executive Directors shall have the right to propose to the Board of Directors to convene an extraordinary meeting, but the content of over half of all independent non-executive Directors shall be obtained. The Board of Directors shall issue written feedback on whether or not to convene the extraordinary meeting within 10 days from the receipt of the proposal from the independent non-executive Directors according to the laws, administrative regulations and the Articles of Association. Where the Board of Directors gives consent to convene an extraordinary meeting, it shall, within 5 days from the passing of the board resolution, issue a notice on convening the meeting. Where the Board of Directors does not give consent to convene an extraordinary meeting, it shall state the reason.

The Audit Committee shall have the right to propose the Board of Directors to convene an extraordinary meeting, and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to convene the extraordinary meeting within 10 days after receiving the proposal. Where the Board of Directors gives consent to convene an extraordinary meeting, it shall, within 5 days from the passing of the board resolution, and changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. Where the Board of Directors does not agree to convene the extraordinary meeting or fails to issue feedback within 10 days upon receipt of such proposal, the Board of Directors shall be deemed to be unable or fail to perform the duty of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than 10% of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary meeting, and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association, provide written feedback on whether or not to convene the extraordinary meeting within 10 days after receiving the request. Where the Board of Directors gives consent to convene an extraordinary meeting, it shall, within 5 days from the passing of the board resolution, and changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Board of Directors does not agree to convene an extraordinary meeting, or fails to give feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to propose to the Audit Committee to hold an extraordinary meeting, and shall make a written request to the Audit Committee. Where the Audit Committee agrees to convene an extraordinary meeting, it shall issue a notice of convening the meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Audit Committee fails to issue a notice of holding a shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee fails to convene and preside over the shareholders' meeting, and the shareholder(s) individually or collectively holding 10% or more of the shares of the Company for 90 consecutive days or more may convene and preside over the meeting on its or their initiative. Where the Board of Supervisors or shareholders decide to convene a shareholders' meeting on their own initiatives, they shall notify the Board of Directors in writing and file the records with the securities exchange at the same time. For the shareholders' meetings convened by the Audit Committee or shareholders on their own initiatives, the Board of Directors and the secretary to the Board of Directors shall cooperate with the Audit Committee or the shareholders. The Board of Directors shall provide the register of shareholders as at the shareholding registration date. The register of shareholders obtained by the convener may not be used for purposes other than holding the shareholders' meetings. Before the announcement of the resolution of the shareholders' meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

The contents of the proposals shall fall within the terms of reference of the shareholders' meeting, have clear subjects and specific matters to be resolved, and comply with the relevant provisions of laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee and shareholders who individually or collectively hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders who individually or aggregately hold more than 1% of the shares of the Company may submit a temporary proposal in writing to the convener 10 days prior to the convening of the shareholders' meeting. The convener shall issue a supplemental notice of the shareholders' meeting within 2 days after receiving the proposal and announce the contents of the temporary proposal and submit the temporary proposal to the shareholders' meeting for consideration, unless the temporary proposal violates the provisions of laws, administrative regulations or the Articles of Association, or does not fall within the scope of the shareholders' meeting. Where the shareholders' meeting is postponed in accordance with the requirements of the regulatory rules of the stock exchange where the Company's shares are listed due to the issuance of a supplemental notice of the shareholders' meeting, the convening of the shareholders' meeting shall be postponed in accordance with the provisions of the regulatory rules of the stock exchange where the Company's shares are listed.

Except as provided in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the shareholders' meeting or add new proposals after issuing the notice of the shareholders' meeting.

Proposals not set out 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.

Shareholders' meetings are classified into annual meetings and extraordinary meetings. The annual meeting is convened once a year and shall be held within six (6) months after the end of the previous financial year.

The Company shall convene an extraordinary meeting within 2 months from the date of the occurrence of any of the following circumstances:

(I) where the number of Directors falls short of the number required by the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(II) where the unrecovered losses of the Company reach one-third of the total paid-up share capital;

(III) where an extraordinary meeting is requested by a shareholder individually or shareholders collectively holding more than 10% of the issued shares with voting rights in the Company in writing (the percentage of shareholding is calculated based on the number of shares held at the close of business on the date the shareholder makes the written request, or the previous trading day if the day of the written request is a non-trading day);

(IV) the Board of Directors considers it necessary;

(V) the Audit Committee proposes to hold such a meeting;

(VI) other circumstances stipulated by laws, administrative regulations, departmental rules, regulatory rules of the stock exchange where the Company's shares are listed and the Articles of Association. If the extraordinary general meeting is convened in accordance with the requirements of the regulatory rules of the stock exchange where the Company's shares are listed, the actual date of convening the extraordinary meeting is subject to adjustment according to the progress of approval by the stock exchange where the Company's shares are listed.

The notice of a shareholders' meeting shall include the following:

(I) the date, venue and duration of the meeting;

(II) matters and proposals submitted to the meeting for consideration;

(III) the notice shall state clearly that all shareholders are entitled to attend the shareholders' meeting or appoint proxies in writing to attend and vote at such meeting on their behalf and that such proxies need not be a shareholder of the Company;

(IV) the shareholding registration date for the shareholders who are entitled to attend the shareholders' meeting;

(V) the names and telephone numbers of the contact person for the meeting affairs;

(VI) voting time of and procedures via online or other methods;

(VII) other requirements stipulated by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Notices and supplemental notices of shareholders' meetings shall contain the contents stimulated by the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, and shall fully and completely disclose all the specific contents of all proposals as well as all the information or explanations necessary to enable the shareholders to make a reasonable judgment on the matters to be discussed. Where the opinions of an independent non-executive Director are required on matters to be considered, the opinions and reasons thereof shall be disclosed at the same time when the notice of shareholders' meeting and the supplemental notice are issued.

DIRECTORS AND SENIOR MANAGEMENT

Appointment, Dismissal, Removal and Retirement

Directors shall be elected or replaced at the shareholders' meeting, and can be removed from their office prior to the expiry of their term of office by the shareholders' meeting (but without prejudice to any claim for damages by such Directors according to any contract). The Board of Directors of a company that has more than 300 employees shall include a member who is a representative of employees of the company, unless the company has a Board of Supervisors in accordance with the law that includes a representative of employees of the company. The term of office of a Director is three years, and at the expiry thereof, the term is renewable upon re-election. In all circumstances, the Board shall comprise at least one-third independent non-executive directors with the total number of independent non-executive directors being no fewer than three. A non-employee representative on the Board of Directors shall be nominated by the Company's shareholders and elected at the shareholders' meeting. An employee representative on the Board of Directors, if any, shall be democratically elected by the employees of the Company through the assembly of representatives of employees or assembly of employees or otherwise, without need for submission to the shareholders' meeting for consideration. The general manager or other senior management members may concurrently serve as Directors, provided that the total number of Directors who concurrently serve as the general manager or other senior management members and the total number of Directors who are served by employee representatives shall not exceed half of the total number of Directors of the Company.

The Board of Directors shall have one chairman and no vice chairman. The chairman shall be elected by the Board of Directors subject to the affirmative vote of a simple majority of all Directors. The term of office of the chairman is three years, which is renewable upon re-election.

Directors shall observe laws, administrative regulations and the Articles of Association, and shall assume the following duties of loyalty to the Company:

(I) not to accept any bribery or other illegal income by using his/her powers and position, nor seize the assets of the Company in any manner;

(II) not to misappropriate the funds of the Company;

(III) not to open accounts in his/her own or another individual's name for deposit of the Company's assets or funds;

(IV) not to violate the Articles of Association, or loan the Company's funds to others or use the Company's assets as security for the debts of others without approval of the shareholders' meeting or the Board of Directors;

(V) not to directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board of Directors or the shareholders' meeting on matters related thereto or passing a resolution by the Board of Directors or the shareholders' meeting in accordance with the Articles of Association. This paragraph applies to any close relatives of Directors or senior management, or enterprises directly or indirectly controlled by Directors or senior management or their close relatives, or those having other connected relationship with the Directors or senior management, that enter into contracts or conduct transactions with the Company;

(VI) to protect the interests of the Company and all the shareholders, and not to damage the Company's interests for the benefit of the actual controller, shareholders, employees, themselves or other third parties;

(VII) not to, without approval of the shareholders' meeting, seek business opportunities which should have belonged to the Company for himself/herself or his/her close relatives or others by using insider information or using his/her powers and position, except that (1) such behavior has been reported to the Board of Directors or the shareholder's meeting and passed a resolution by the Board of Directors or the shareholder's meeting in accordance with the Articles of Association; or (2) the Company may not use such business opportunities according to laws, administrative regulations and the Articles of Association;

(VIII) not to accept commissions relating to the transactions of the Company and appropriate to himself/herself;

(IX) not to disclose secrets of the Company without permission, or divulge material information that has not been disclosed, or seek improper benefits by using insider information; to perform the non-compete obligation agreed upon with the Company after departure;

(X) not to take advantage of his/her connected relationship to harm interests of the Company;

(XI) to perform the non-compete obligation agreed upon with the Company after departure;

(XII) Other duties of loyalty as prescribed by laws, administrative regulations, department rules, listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Any proceeds obtained by a Director in violation of this article shall belong to the Company. Where the Company suffers any losses thereby, the said Director shall be obliged to make compensations therefor.

Directors shall observe laws, administrative regulations and the Articles of Association and shall assume the following duties of due diligence to the Company:

(I) to cautiously, earnestly and diligently exercise the rights conferred by the Company to ensure that the business conduct of the Company is in conformity with laws, administrative regulations and all economic policies of the State, and its business activities shall not go beyond the business scope as registered in its business license;

(II) to treat fair all the shareholders;

(III) to carefully read business and financial reports of the Company and timely become aware of the business and management situation of the Company;

(IV) to sign written confirmation comments with respect to the periodical reports of the Company to ensure that the information disclosed by the Company is authentic, accurate and complete;

(V) to faithfully furnish related information and materials to the Audit Committee, and not to interfere with the Audit Committee or its members in exercising its/their functions and powers;

(VI) to guarantee that he/she has sufficient time and energy to participate in the Company's affairs, and to prudentially judge the possible risks carried and benefits delivered by the matters considered; to attend the meetings of the Board of Directors in person in principle, and if another Director is authorized to attend such meetings on his/her behalf for some reason, the Director shall prudentially select an authorized representative, specifying matters to be acted upon and intended decisions, and shall not grant discretionary authority;

(VII) to pay attention to the operating condition and other matters of the Company and timely report relevant problems and risks to the Board of Directors, and not to claim exemption from liability with the excuse that he/she is unfamiliar with the Company's business or unaware of relevant matters;

(VIII) to actively promote the well-regulated operation of the Company, urge the Company to perform its disclosure obligations, correct and report the violation of regulations by the Company in a timely manner, and support the Company in fulfilling its social responsibility;

(IX) Other duties of due diligence as prescribed by laws, administrative regulations, department rules, listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Whoever is under any of the following circumstances is not allowed to act as a Director or senior management member of the Company:

(I) having no or limited civil capacity;

(II) having been sentenced to criminal punishments due to corruption, bribery, embezzlement of property, misappropriation of property, or disrupting the order of the socialist market economy, and less than five years having elapsed since the punishment is fully executed; or having been deprived of political rights due to any criminal offense, and less than five years having elapsed since the punishment is fully executed; or having been given a suspended sentence, and less than two years having elapsed since the expiration of probation;

(III) having served as a Director, factory manager or general manager of a company or enterprise that is bankrupt and liquidated, and being personally liable for the insolvency of the company or enterprise, and less than three years having elapsed since the date of completion of insolvency liquidation of the company or enterprise;

(IV) having served as the legal representative of a company or enterprise that has its business license revoked and is ordered to close down due to violation of law, and being personally liable for such punishment, and less than three years having elapsed since the date of revocation of the business license of the company or enterprise or being ordered to close down;

(V) personally having a relatively large amount of overdue debts and being listed as a judgment defaulter by the people's court;

(VI) having been subjected to the securities market access prohibition measures by the China Securities Regulatory Commission or the stock exchange at the place where the Company is listed or other regulatory authorities, for a period which has not expired;

(VII) being publicly determined by the stock exchange as unsuitable for the office of Director or senior management of a listed company;

(VIII) being subject to a case investigation by the judicial organ for involvement in a suspected crime or by the China Securities Regulatory Commission for suspected violation of any law or regulation, and yet there being no clear conclusion;

(IX) such other matters as prescribed by laws, administrative regulations or department rules, or applicable laws and regulations at the place where the Company is listed.

The qualification, nomination, resignation and other matters of independent non-executive Directors shall be subject to laws, administrative regulations or department rules, or applicable laws and regulations at the place where the Company is listed.

Power to Dispose of the Assets of the Company or Any Subsidiaries

The Board of Directors shall determine the extent of authority for external investments, acquisition or sale of assets, assets pledge, external guarantee, entrusted financing and connected transactions, establish strict examination and decision-making procedures; in case of major investment projects, it shall organize related experts and professionals to make assessment and report to the shareholders' meeting for approval.

Power to Provide Loans

The Company shall not, directly or through any of its subsidiaries, provide loans to Directors or senior management.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING

Accounting and Auditing

The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations, regulatory rules at the place where the Company is listed and provisions of departments concerned of the State. If the securities regulatory authority at the place where the Company is listed has other provisions, such provisions shall prevail.

The Company shall disclose the preliminary announcement of its interim results within two months from the end of the first half (six months) of each accounting year, and prepare and disclose the interim report within three months from the end of the first half (six months) of each accounting year. The Company shall submit and disclose annual reports and interim reports in accordance with the applicable laws and regulations and the provisions at the place where the Company is listed. The said annual reports and interim reports shall be prepared in accordance with the applicable laws, administrative regulations, and provisions of the China Securities Regulatory Commission and the stock exchange at the place where the Company is listed.

Profit Distribution

When distributing its after-tax profits in the current year, the Company shall allocate 10% of its profits to the statutory common reserve funds of the Company. Such allocation may be waived if the cumulative amount of statutory common reserve funds of the Company exceeds 50% of the Company's registered capital.

Where the statutory common reserve funds of the Company are not sufficient to cover the Company's losses from the previous year, the current year profits shall be first used to cover such losses before allocation is made to the statutory common reserve funds pursuant to the previous paragraph.

After allocation to the statutory common reserve funds has been made from the after-tax profits of the Company, discretionary common reserve funds can be allocated from the after-tax profits after a resolution is made by the shareholders' meeting.

After the Company has covered its losses and made allocation to the common reserve funds, the remainder of the after-tax profits shall be distributed to shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

If the shareholders' meeting, in violation of the previous paragraph, distributes profits to shareholders before covering the Company's losses and making allocation to the statutory common reserve funds, the profits so distributed must be returned to the Company. Where the Company suffers any losses thereby, the shareholders and the responsible Directors and senior management shall be obliged to make compensations therefor.

Profit distribution does not apply to the shares of the Company held by the Company.

The common reserve funds of the Company shall be used to cover the Company's losses, expand its production and operation, or be converted to the Company's increased capital. Where the common reserve funds are used to cover the Company's losses, discretionary and statutory common reserve funds shall be first used; if the losses still cannot be fully covered, capital reserves can be used as stipulated.

When the statutory common reserve funds are converted to capital, the amount remaining in the said statutory common reserve funds shall not be less than 25% of the Company's registered capital before such conversion.

Merger, Division, Dissolution and Liquidation of the Company

In the event of merger of the Company, the parties to such merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days starting from the date when the merger resolution is taken and announce in a newspaper or via the National Enterprise Credit Information Publicity System within 30 days. Creditors have the right to demand the Company to clear off the debts or provide corresponding guarantees within 30 days after the notifications are received or within 45 days starting from the date of announcement in cases in which notifications have not been received.

Upon merger, any credits and debts of each of the merged parties shall be taken over by the company which survives the merger or the newly established company.

Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days starting from the date when the division resolution is taken and announce in a newspaper or via the National Enterprise Credit Information Publicity System within 30 days.

The Company may be dissolved in any of the following circumstances:

(I) the term of operation prescribed in the Articles of Association has expired or other conditions for dissolution as provided for in the Articles of Association have appeared;

(II) a resolution on dissolution has been adopted by the shareholders' meeting;

(III) dissolution is necessary for merger or division of the Company;

(IV) the business license of the Company is revoked or the Company is ordered to close down or is abolished according to law;

(V) where the Company runs into serious difficulties in operation and management, and its continuous existence may cause heavy losses to shareholders' interests, which cannot be solved in other ways, the shareholders holding over 10% of all the shareholders' voting rights of the Company may apply for dissolving the Company with the people's court.

In case that any of the said conditions for dissolution occurs to the Company, such condition shall be made public via the National Enterprise Credit Information Publicity System within 10 days.

Where the Company is dissolved in accordance with items (I), (II), (IV) and (V) above, a liquidation group shall be established within 15 days upon occurrence of the condition for dissolution to carry out liquidation. The liquidation group shall be composed of the persons determined by the Directors or the shareholders' meeting. Where a liquidation obligor fails to fulfill its liquidation obligations in time, which causes losses to the Company or creditors, it shall be liable for indemnity. In case no liquidation group is established within the specified period to carry out liquidation, or liquidation is not carried out after establishment of the liquidation group, the interested parties may request the people's court to designate relevant persons to form a liquidation group and carry out liquidation.

The liquidation group shall notify creditors within 10 days of its establishment, and announce in a newspaper or via the National Enterprise Credit Information Publicity System within 60 days. Creditors shall claim their rights with the liquidation group within 30 days after the notifications are received or within 45 days starting from the date of announcement in cases in which notifications have not been received. In claiming their rights, creditors shall specify the relevant matters about their rights and provide evidential materials in respect thereof. The liquidation group shall register the creditors' rights. In the course of claiming of creditors' rights, the liquidation group shall not make any repayment to creditors.

After the liquidation group sorts out the Company's assets, prepares a balance sheet and an inventory of assets, it shall formulate a liquidation plan and present it to the shareholders' meeting or to the people's court for confirmation. Any surplus assets of the Company's remaining after paying for liquidation cost, staff's salary, social insurance, statutory compensation, taxes payable and debts of the Company shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company remains in existence; however, it shall not carry out any business activity irrelevant with liquidation. The Company's assets shall not be distributed to its shareholders prior to repayment in accordance with the foregoing provision.

If, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation group finds out that the Company's assets are insufficient to repay its debts, it shall apply for insolvency liquidation with the people's court according to law. After the Company is declared insolvent by a ruling of the people's court, the liquidation group shall hand over the liquidation affairs to the people's court.

After the completion of liquidation, the liquidation group shall prepare a liquidation report and submit it to the shareholders' meeting or the people's court for confirmation and to the company registration authority for canceling registration of the Company and make a public announcement about the termination of operation of the Company.

MISCELLANEOUS PROVISIONS SIGNIFICANT TO THE COMPANY AND ITS SHAREHOLDERS

General Provisions

The Company is a joint stock limited company that has perpetual existence.

Starting from the effective date, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders, and are binding on the Company and its shareholders, Directors, general manager and other senior management members. In accordance with the Articles of Association, shareholders may sue other shareholders; shareholders may sue the Company's Directors, general manager and other senior management members; shareholders may sue the Company; the Company may sue its shareholders, Directors, general manager and other senior management members.

Board of Directors

The Company shall have a Board of Directors, which is accountable to the shareholders' meeting. The Board of Directors shall exercise the following functions and powers:

(I) to convene the shareholders' meeting and to report its work at the shareholders' meeting;

(II) to implement the resolutions adopted at the shareholders' meeting;

(III) to determine the Company's business plans and investment plans;

(IV) to formulate the Company's profit distribution plan and loss recovery plan;

(V) to formulate plans for the increase or decrease of the Company's registered capital and for the issuance of the Company's debentures or other securities and listing;

(VI) to work out plans for major acquisitions, acquisition of the Company's stock under circumstances specified in items (I) and (II) of Article 22 in the Articles of Associations, or merger, division, dissolution and change of the form of the Company, and to take resolutions on repurchase of the Company's stock under circumstances specified in items (III), (V) and (VI) of Article 22 in the Articles of Associations;

(VII) to determine, within the scope authorized by the shareholders' meeting, on such matters as external investments, acquisition or sale of assets, assets pledge, external guarantee, entrusted financing and connected transactions of the Company;

(VIII) to decide on the Company's internal management structure;

(IX) to appoint or dismiss the Company's general manager and Board secretary and to, based on the nomination by the general manager, appoint or dismiss the Company's deputy general manager, CFO and other senior management members and decide on their remunerations, rewards and punishments;

(X) to formulate and modify the Company's basic management system;

(XI) to formulate plans for any amendment of the Articles of Association;

(XII) to formulate equity incentive plans of the Company;

(XIII) to manage the information disclosure of the Company;

(XIV) to propose to the shareholders' meeting for hiring or replacement of the accounting firm that does auditing for the Company;

(XV) to hear work reporting from the Company's general manager and inspect the performance of the general manager;

(XVI) to set up Board committees and elect members thereof in accordance with the Articles of Association or resolutions of the shareholders' meeting; and

(XVII) to exercise any other functions and powers conferred by the laws, administrative regulations, department rules, listing rules of the stock exchange where the Company's shares are listed, or the Articles of Association.

The above functions and powers exercised by the Board of Directors or any transactions or arrangements of the Company, which require consideration by the shareholders' meeting according to the listing rules of the stock exchange where the Company's shares are listed, and matters beyond the scope authorized by the shareholders' meeting, shall be submitted to the shareholders' meeting for consideration.

Meetings of the Board of Directors shall be held only if more than half of the Directors are present. A resolution of the Board of Directors must be passed by more than half of all the Directors. Where the Board of Directors considers the guarantees specified in the Articles of Association, it must be passed by over two thirds of the Directors present at the Board meeting. If provisions of laws or administrative regulations require that the consent of more Directors shall be obtained to form resolutions of the Board of Directors, such provisions shall prevail.

In voting on a resolution of the Board of Directors, one person shall be entitled to only one vote.

Any Director affiliated with matters under any resolution made at the Board meeting shall be prohibited from exercising voting rights concerning that resolution, nor may that Director vote on behalf of any other Directors. The Board meeting may be held with the presence of more than half of all the non-affiliated Directors. A resolution made at the Board meeting shall be passed by more than half of all the non-affiliated Directors. If the number of non-affiliated Directors present at the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration. If there are other provisions in the Hong Kong Listing Rules, such provisions shall prevail.

Board Committees

The Company's Board of Directors shall have an Audit Committee, a Nomination Committee and a Remuneration and Appraisal Committee, and shall set up a Strategy Committee and other Board committees. The Board committees shall be accountable to the Board of Directors, perform duties in accordance with the Articles of Association, the regulatory rules at the place where the Company is listed and the authorizations of the Board of Directors, and submit their proposals to the Board of Directors for consideration. The Board committees are fully composed of Directors. In the Audit Committee, independent non-executive Directors shall be in the majority, and an independent non-executive Director shall act as the chairman of the committee. In the Nomination Committee, independent non-executive Directors shall be in the majority, and there shall be a member of different gender; the Board chairman or an independent non-executive Director shall act as the chairman of the committee. In the Remuneration and Appraisal Committee, independent non-executive Directors shall be in the majority, and an independent non-executive Director shall act as the chairman of the committee. The Board of Directors is responsible for formulating working rules to standardize the operation of the Board committees.

Independent non-executive Directors

The Company has independent non-executive Directors. The qualification, nomination and election procedure, term of office, resignation, functions and powers and other matters of independent non-executive Directors shall be subject to laws, administrative regulations, department rules, and regulatory rules at the place where the Company is listed. Unless otherwise specified, provisions of the Articles of Association on the qualifications and obligations of Directors apply to independent non-executive Directors.

There shall be at least three independent non-executive Directors, who must make up at least one third of all the Directors and include at least one person that has the professional qualification required in the Hong Kong Listing Rules or is expert in accounting or financial management. One independent non-executive Director shall habitually reside in Hong Kong. All independent non-executive Directors must have the independence required in the Hong Kong Listing Rules.

General Manager

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(I) to be in charge of the Company's production, operation and management, and to organize the implementation of the resolutions of the Board of Directors and report work to the Board of Directors;

(II) to implement and supervise the Company's development plans, annual production and operation plans, annual financial budget, annual balance sheet and income statement, and to give suggestions on profit distribution;

(III) to draft plans for the setup of the Company's internal management structure;

(IV) to draft the Company's basic management system;

(V) to formulate specific rules and regulations of the Company;

(VI) to propose to the Board of Directors for appointment or dismissal of the Company's deputy general manager and CFO;

(VII) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;

(VIII) to carry out major external operation activities on behalf of the Company;

(IX) to decide on the recruitment, reward, punishment and dismissal of the Company's personnel;

(X) where necessary, to set up and revoke branches and offices after approval by the competent authority in China;

(XI) to decide on major issues in the Company's routine work, including but not limited to pricing;

(XII) to purchase or lease assets required by the Company;

(XIII) to attend meetings of the Board of Directors;

(XIV) other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors.

Board Secretary

The Company has a Board secretary, who shall be responsible for preparation of the sessions of shareholders' meeting and meetings of the Board of Directors, preservation of documents, management of the information of the Company's shareholders, handling of information disclosure, etc.. The Board secretary shall observe laws, administrative regulations, department rules, listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association, and shall have the required qualifications and perform his/her duties loyally and diligently.

Amendment of the Articles of Association

The Company shall amend the Articles of Association in any of the following circumstances:

(I) the Articles of Association is contradictory to any provision of the amended version of the Company Law or other applicable laws, administrative regulations, or listing rules of the stock exchange where the Company's shares are listed;

(II) there is any change to the Company's situation, which is inconsistent with any matter recorded in the Articles of Association;

(III) the shareholders' meeting adopts a resolution for amendment of the Articles of Association.

Any amendment of the Articles of Association adopted by a resolution of the shareholders' meeting which is subject to approval by the competent authority shall be submitted to the competent authority for approval; if there is any change related to the registered particulars of the Company, procedures for change of registration shall be handled according to law.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation

Our Company was established as a limited liability company in the PRC on October 20, 2016, and further converted into a joint stock company with limited liability on July 13, 2021.

As of the date of this prospectus, our registered office and head office are located at No. 1118, Chicheng Road, Daqiao Town, Nanhu District, Jiaxing City, Zhejiang Province, the PRC. Accordingly, our Company's corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix V — Summary of Articles of Association." A summary of certain relevant aspects of the laws and regulations of the PRC is set out in "Appendix IV — Summary of Principal Legal and Regulatory Provisions."

Our Company has established a principal place of business in Hong Kong at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. We were registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 26, 2025. Mr. WONG Chun Wing Samuel (黃俊穎), one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of the service of process on behalf of our Company in Hong Kong. The address for the service of process is the same as our principal place of business in Hong Kong.

2. Changes in Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure — Major Corporate Development and Shareholding Changes," there has been no alteration in our share capital within two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

Our Company's subsidiaries are set out Note 1 in the Accountants' Report as set out in Appendix I. The following sets out changes in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus:

On August 8, 2024, the registered capital of Anhui Galaxis was increased from RMB30,000,000 to RMB50,000,000.

Save as disclosed above and in the section headed "History, Development and Corporate Structure" in this prospectus, there has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this prospectus.

4. Shareholders' Resolutions

At the general meeting of our Company held on June 4, 2025, among other things, the following resolutions were passed by the Shareholders:

(i) the issuance of H Shares of the nominal value of RMB1.0 each and the listing of such H Shares on the Stock Exchange;

(ii) the number of H Shares to be issued pursuant to the Global Offering (assuming the over-allotment option is not exercised) shall be no more than 25% of the total Shares in issue immediately after completion of the Global Offering (assuming the over-allotment option is not exercised);

(iii) subject to the completion of filing with the CSRC, upon completion of the Global Offering, 391,085,729 Unlisted Shares in aggregate held by our Shareholders will be converted into H Shares on a one-for-one basis;

(iv) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on the Listing Date; and

(v) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the Global Offering, the issue and listing of the H Shares.

5. Reorganization

We have not gone through any corporate reorganization for the purpose of the Global Offering. For details of the history and development of our Company, see "History, Development and Corporate Structure."

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

The following contract (not being contract entered into in the ordinary course of business) has been entered into by members of our Group within the two years preceding the date of this prospectus and is or may be material:

(i) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

(i) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date
1. . .	凯乐士	Hong Kong	the Company	12	306829903	March 6, 2035
2. . .	凯乐士	Hong Kong	the Company	35	306829912	March 6, 2035
3. . .	凯乐士 TECHNOLOGY EMPOWERS LOGISTICS	Hong Kong	the Company	12; 35	306895009	May 11, 2035
4. . .	GALAXIS	PRC	the Company	7	71358186	March 27, 2034
5. . .	凯乐士	PRC	the Company	7	32960940	February 20, 2031
6. . .	凯乐士	PRC	the Company	7	32960940A	October 6, 2029
7. . .	凯乐仕	PRC	the Company	7	49551532	June 6, 2031

(ii) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Place of Registration	Patent Number	Owner	Expiration Date
	Invention patent				
1 . .	Picking scheduling method, equipment, and matrix sorting system	PRC	2021110295184	the Company	September 2, 2041

No.	Patent	Place of Registration	Patent Number	Owner	Expiration Date
2. . .	Cargo-carrying floor-changing operation method and device	PRC	2022109840644	the Company	August 16, 2042
3. . .	Narrow aisle storage/retrieval operation scheduling method, device, scheduling equipment, and storage medium	PRC	2022116120968	the Company	December 14, 2042
4. . .	Warehouse vehicle scheduling method and device	PRC	2022116708984	the Company	December 25, 2042
5. . .	Self-propelled shuttle vehicle	PRC	2014103261380	Galaxis Wuxi	July 8, 2034
6. . .	Cargo warehousing method, device, and computer equipment	PRC	2022115544402	Galaxis Wuxi	December 5, 2042
7. . .	Adaptive forklift	PRC	2023219241235	Galaxis Wuxi	July 20, 2033
8. . .	A firefighting method for a storage warehouse and a firefighting storage warehouse	PRC	2021115600893	Anhui Galaxis	December 19, 2041
9. . .	A method and device for interlock detection and unlocking of multiple robot vehicles	PRC	2022117124364	Hubei Galaxis Tongda Technology	December 29, 2042

(iii) Copyrights

As of the Latest Practicable Date, we had registered the following artwork copyrights which we consider to be material to our business:

No.	Copyright	Place of Registration	Registered Owner	Registration Number	Registration Date
1 . . .	Galaxis Shuttle Control (PC) Software V2.0	PRC	the Company	2023SR1553867	December 4, 2023
2 . .	Galaxis Bin Robot Control System V1.0	PRC	the Company	2022SR0975679	July 28, 2022
3 . .	Robot Universal Control Software V1.2.1	PRC	the Company	2022SR0770874	June 16, 2022
4 . .	KLS WES V1.0	PRC	the Company	2024SR1317068	September 6, 2024
5 . .	WCS V2.3	PRC	the Company	2024SR1552187	October 17, 2024

No.	Copyright	Place of Registration	Registered Owner	Registration Number	Registration Date
6 . .	OMS V4.0	PRC	the Company	2024SR1582096	October 22, 2024
7 . .	WMS V8.5	PRC	the Company	2024SR1622512	October 28, 2024
8 . .	Tongda WMS V8.0	PRC	Hubei Galaxis Tongda Technology	2022SR0972784	July 27, 2022

(iv) Domain Name

As of the Latest Practicable Date, we owned the following domain name, which we consider to be or may be material to our business:

No.	Domain Name	Registration Owner	Expiry Date
1. . .	**www.galaxis-tech.com**	Galaxis Wuxi	November 15, 2034
2. . .	**www.galaxis.com.cn**	Galaxis Wuxi	October 20, 2033
3. . .	**www.galaxis-great.com**	Galaxis Wuxi	March 2, 2027

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights that were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(i) Disclosure of Interests

Saved as disclosed below, immediately following completion of the Global Offering and the Conversion of Unlisted Shares into H Shares (assuming that the Over-allotment Option is not exercised) and no Shares are issued under the Pre-IPO Share Option Schemes, so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our 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 our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Name	Position	Nature of interest[(1)]	Description of Shares	Number of Share interested in as of the Latest Practicable Date	Immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares	
					Number of Shares	% of shareholding in the total issued share capital[(2)]
Dr. GU Chunguang[(3)]. . .	Executive Director	Beneficial owner	Unlisted Shares	22,696,560	–	–
			H Shares	–	22,696,560	5.30%
		Interest of controlled corporation	Unlisted Shares	55,135,080	–	–
			H Shares	–	55,135,080	12.89%
		Interest of spouse; Interests held jointly with another person	Unlisted Shares	38,824,920	–	–
			H Shares	–	38,824,920	9.07%

Name	Position	Nature of interest[1]	Description of Shares	Number of Share interested in as of the Latest Practicable Date	Immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares	
					Number of Shares	% of shareholding in the total issued share capital[2]
Dr. YANG Yan[3]	Executive Director	Interest of controlled corporation	Unlisted Shares	68,466,960	–	–
			H Shares	–	68,466,960	16.00%
		Interest of spouse; Interests held jointly with another person	Unlisted Shares	48,189,600	–	–
			H Shares	–	48,189,600	11.26%
Mr. SHEN Lu[3]	Executive Director	Interest of controlled corporation	Unlisted Shares	24,935,040	–	–
			H Shares	–	24,935,040	5.83%
		Interests held jointly with another person	Unlisted Shares	91,721,520	–	–
			H Shares	–	91,721,520	21.44%

Notes:

(1) All interests are stated in long positions.

(2) The calculation is based on the total number of 427,883,729 Share (comprising 36,798,000 H Shares to be issued under the Global Offering and 391,085,729 H Shares to be converted from Unlisted Shares) in issue immediately upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Schemes).

(3) Pursuant to Concert Party Agreements, Dr. GU Chunguang, Dr. YANG Yan, Mr. SHEN Lu, Ms. MA Lan, Jiaxing Jiumai, Jiaxing Huige, Jiaxing Rongming and Jiaxing Gaile are parties acting in concert regarding decisions at the Board meetings and general meetings of our Company which will continue after the Listing Date. Dr. GU Chunguang and Dr. YANG Yan are spouses. As such, under the SFO, each of them is deemed to be interested in the Shares in which the others are interested in. For details of their disclosure of interest, see "Substantial Shareholders."

(ii) Particulars of Service Contracts

Each of our Directors has entered into a service contract with our Company. The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following his/her respective effective date of his/her appointment; (b) each of the agreements is subject to termination in accordance with their respective terms.

Save as disclosed above, our Company has not entered, and does not propose to enter, into any service contracts with any of the Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

(iii) Directors' Remuneration

For details of the Directors' remuneration, see "Directors and Senior Management — Remuneration of Directors and Five Highest Paid Individuals" and Note 8 to the Accountants' Report as set out in Appendix I to this prospectus.

2. Substantial Shareholders

(i) Interest in the Shares of Our Company

For information on the persons who will, immediately following the completion of the Global Offering, having or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be entitled to exercise, or control the exercise of, 10% or more of the voting power at any meeting of our Company, see "Substantial Shareholders."

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the Global Offering, having or be deemed or taken to the beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company.

(ii) Interest in the Shares of Our Company's Subsidiaries

As of the Latest Practicable Date, so far as our Directors are aware, save as disclosed in the section headed "History, Development and Corporate Structure" in this prospectus, no person (other than our Directors or chief executive of our Company) were interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of other member of our Group.

3. Disclaimers

(i) Save as disclosed in "History, Development and Corporate Structure" and this Appendix, none of our Directors or any of the parties listed in "— E. Other Information — 7. Consents of Experts" in this section:

(a) is interested in our promotion, or in any assets which, within the two years immediately preceding the date of this prospectus, have 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; or

(b) is materially interested in any contract or arrangement subsisting at the date of this prospectus that is significant in relation to our business;

(ii) Save as disclosed in this Appendix and in connection with the Underwriting Agreements, none of the parties listed in "— E. Other Information — 7. Consents of Experts" in this section:

(a) is interested legally or beneficially in any Shares in any member of our Group; or

(b) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group; and

(iii) Save as disclosed in "Substantial Shareholders," none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. SHARE INCENTIVE SCHEMES

Our Company adopted a share incentive scheme in August 2019 which was further amended and approved in June 2025 (the "**2019 Share Incentive Scheme**"). This comprised a restricted share incentive scheme (the "**Restricted Share Incentive Scheme**") and a share option scheme (the "**2019 Pre-IPO Share Option Scheme**").

In May 2021, our Company adopted a share option scheme (the "**2021 Pre-IPO Share Option Scheme**", together with the 2019 Pre-IPO Share Option Scheme, the "**Pre-IPO Share Option Schemes**", and together with the Restricted Share Incentive Scheme, the "**Share Incentive Schemes**") which was further amended and approved in June 2025.

The following is a summary of the principal terms of the Share Incentive Schemes.

a. Purpose

The purpose of the Share Incentive Schemes is to: (i) establish long-term incentives; (ii) attract and retain key staffs; (iii) enhance corporate governance; and (iv) align stakeholders interests.

b. Administration

The Share Incentive Schemes' approval, alteration and termination are subject to the approval of the Board, which was authorized by general meeting of the Company to implement the Share Incentive Schemes. The administration team designated by the Board for the Share Incentive Schemes is responsible for the formulation and amendment of the Share Incentive Schemes and the list of Participants (as defined below).

c. Participants and Eligibility

The Participants under the Share Incentive Schemes include management and key employees of the Group, and other employees within the Group deemed appropriate by the Board (the "**Participants**").

d. Contents of the Share Incentive Schemes

	Restricted Share	Share Option
(i) Model	The Participants, as partners of Jiaxing Yuxi, Jiaxing Hexi and Jiaxing Yuuxi (collectively, the "**Restricted Share Incentive Platforms**"), which are in the form of partnership interests, are entitled to subscribe for the limited partnership interests of the Restricted Share Incentive Platforms, thereby indirectly holding the Shares of the Company.	The underlying Shares of the Share options are the H Shares to be issued to Participants upon the Listing or after the Listing. Each Share option entitles the eligible Participants to purchase one H Share.
(ii) Maximum number of Shares*Note*	The restricted Shares corresponded to the registered capital of RMB1,407,747 of the Company. After Conversion: Corresponding to the 16,334,438 Shares	(A) **2019 Pre-IPO Share Option Scheme:** No more than 294,444 options After Conversion: No more than 3,416,512 Share options (B) **2021 Pre-IPO Share Option Scheme:** No more than 501,225 options After Conversion: No more than 5,815,832 Share options

*Note: the Company increased its registered capital by the conversion of capital reserve in 2021 ("**Conversion**")*

	Restricted Share	Share Option
(iii) Grant Price/ Exercise Price	**(A) If the Participant joined the company before January 1, 2019:** RMB7.42 for each RMB1.00 registered capital After Conversion: RMB0.64 per Share **(B) If the Participant joined the company after January 1, 2019:** RMB13.15 for each RMB1.00 registered capital After Conversion: RMB1.13 per Share	**(A) 2019 Pre-IPO Share Option Scheme:** RMB26.3064 for each RMB1.00 registered capital After Conversion: RMB2.2672 per Share **(B) 2021 Pre-IPO Share Option Scheme:** RMB37.5655 for each RMB1.00 registered capital After Conversion: RMB3.2375 per Share
(iv) Date of Grant	Date of individual incentive agreement signed with each Participant under each scheme	
(v) Validity Period	15 years commencing on the date of grant.	
(vi) Lock-up Period	The lock-up period shall extend from the date of grant to the date of Listing and the restricted Shares will be unlocked upon Listing.	After Participants meet the exercise conditions, they may exercise their vested Share options during the exercise period following the expiration of the waiting period.
(vii) Selling Restriction	One-year statutory selling restriction period after Listing pursuant to applicable PRC laws. After the expiration, the Participants may submit share reduction applications, and the general partner of Jiaxing Rongming shall uniformly arrange the divestment according to the situation of the secondary market.	N/A
(viii) Transferability	Before the expiration of the lock-up period, if a Participant resigns or applies to exit, he/she may transfer the restricted Shares held by him/her to the eligible Participants who meet the conditions as designated by the general partner of the corresponding Employee Incentive Platform	During the period from the grant date of the Share options to the expiration of the waiting period, the Share options granted to Participants under Pre-IPO Share Option Schemes shall not be exercised, transferred, used for guarantee, or used to repay debts.

	Restricted Share	Share Option
(ix) Adjustment	The grant price/exercise price and quantity of the restricted Shares and Share options will be adjusted accordingly if the Company implements capitalization of the capital reserves, distribution of stock dividends, allotment of shares or dividends.	

e. Vesting, Secondary Allocation and Exercise of Share Options

(A) Vesting of Share Options

(a) Vesting Period

(i) Share options granted under the Pre-IPO Share Option Schemes in 2019 shall be vested in three equivalent tranches in 2020, 2022 and 2023, respectively, subject to the performance assessment requirements as set out in the Pre-IPO Share Option Schemes, and after our Company has completed the Listing

(ii) Share options granted under the Pre-IPO Share Option Schemes on in 2021 shall be vested in three equivalent tranches in 2022, 2023 and 2024, respectively, subject to the performance assessment requirements as set out in the Pre-IPO Share Option Schemes, and after our Company has completed the Listing

(iii) Share options granted under the Pre-IPO Share Option Schemes in 2025 shall be vested in three tranches, with 30% vesting in 2026, 30% vesting in 2027, and 40% vesting in 2028, respectively, subject to the performance assessment requirements as set out in the Pre-IPO Share Option Schemes, and after our Company has completed the Listing

(b) Performance Assessment Requirements and the Actual Vesting Amount

In accordance with the Pre-IPO Share Option Schemes, the performance assessment requirements in relation to the vesting of the Share options granted under the Pre-IPO Share Option Schemes include two levels: the company level, measured by the company-level vesting coefficient with reference to the Group's financial performance at the year before the corresponding vesting tranche, and the individual level, measured by the individual-level vesting rate with reference to the annual assessment result of each Participant.

The actual vesting amount of Share options for Participants in each vesting tranche = the planned vesting amount for the Participant in the assessment year × the company-level vesting coefficient × the individual-level vesting rate.

(B) Secondary Allocation of Share Options

Prior to the exercise of Share options by Participants, if any Participant withdraws from the Pre-IPO Share Option Schemes for any reason, or any of the Share options are cancelled by the Company, the Board shall have the right to reallocate such forfeited Share options among other eligible Participants or grant them to new qualified Participants. The Board shall also determine the exercise price, vesting period, and performance criteria for such reallocated granted Share options, as specified in the corresponding agreements. Notwithstanding the foregoing, no Share options shall be granted under the Pre-IPO Share Option Schemes after the Company's Listing.

(C) Exercise of Share Options

(a) Conditions

The vested Share options granted to Participants may only be exercised after the Company has completed the Listing as well as the following conditions are simultaneously met:

None of the following occurs from the perspective of the Company	**None of the following occurs from the perspective of the Participant**
(i) The financial statements for the most recent fiscal year are audited with a qualified or disclaimer of opinion by a certified public accountant.	(i) The Participant is deemed an unsuitable candidate by regulatory authorities within the most recent 12 months.
(ii) The internal controls over financial report for the most recent fiscal year are audited with a qualified or disclaimer of opinion by a certified public accountant.	(ii) The Participant is subject to administrative or criminal penalties, or market bans, for material violations of laws or regulations within the most recent five years.
(iii) The Company is subject to administrative penalties by the CSRC and/or the regulatory authority of the listing venue of the Company for material violations of laws or regulations within the most recent year.	(iii) The Participant is disqualified to serve as a director or senior executive under the Company Law.
(iv) The Company fails to distribute profits in accordance with laws, regulations, or the Articles of Association within the most recent 36 months.	(iv) Other circumstances where participation in share incentives is restricted as determined by the CSRC or the Stock Exchange.
(v) Implementation of share incentives is prohibited by laws or regulations.	(v) The Participant is engaged in conduct deemed by the Company to seriously violate its internal regulations, damage the Company's interests or reputation, or cause direct or indirect economic losses to the Company.
(vi) Other circumstances where implementation of share incentives is restricted as determined by the CSRC or the Stock Exchange.	

(b) Waiting Period and Exercise Period

The waiting period for the Share options shall be from the grant date until the date following 12 months upon the Listing. Starting from the expiration of the waiting period, each 12-month period shall be regarded as an exercise tranche, and different exercise arrangements shall be applicable to each Participant according to their seniority as set out in the Pre-IPO Share Option Schemes.

During each exercise tranche, (i) if the exercise conditions are met, the Participants may apply to the Company for the exercise of Share options within the current exercisable quantity, and the Company will make unified arrangements, (ii) if the quantity of Share options for which the Participant applies for exercise exceeds the quantity of exercisable Share options in the current tranche, the exercise application for the excess part shall be invalid; (iii) if the quantity of Share options for which an application for exercise is made is lower than the exercisable quantity in the current tranche, the Company will cancel the difference after the expiration of such exercise tranche; and (iv) if an Participant fails to meet the exercise conditions, the Company will cancel the Share options within the exercisable quantity in such exercise tranche held by the Participant.

f. Exit (the "Exit") Mechanism

	Restricted Share	Share Option
Exit.	**(A) Non-negative Exit[1, 3]** **(a) Restricted Shares not yet unlocked and the Company is not listed:** Transfer the restricted Shares at the price of "actual consideration paid – dividends received (if any)" to the eligible Participant **(b) Restricted Shares not yet unlocked and the Company is listed:** Transfer the restricted Shares at the price of "actual consideration paid * (1 + annualized 8% rate of return × number of holding years) – dividends received (if any)" to the eligible Participant **(c) Restricted shares unlocked and the Company is listed:** The general partner of Jiaxing Rongming shall uniformly arrange the Exit according to the secondary market situation. Participants who serve as directors, supervisors and senior management of the Group shall comply with the regulations on share reduction in laws, regulations and regulatory documents	**(A) Before the Participant exercises the Share options** The unvested Share options and vested Share options granted to the Participant shall be deemed to be forfeited, whether there is a negative Exit or a non-negative Exit, and all rights shall be automatically forfeited unconditionally. The Board shall have the right to reallocate the Share options forfeited to other Participants or grant them to new Participants.
	(B) Negative Exit[2, 3] **(a) Restricted shares not yet locked and the Company is not listed:** Transfer the restricted Shares at the price of "actual consideration paid × 0.8 – dividends received (if any)" to the eligible Participant **(b) Restricted shares not yet locked and the Company is listed:** Transfer the restricted Shares at the price of "actual consideration paid – dividends received (if any)" to the eligible Participant **(c) Restricted shares unlocked and the Company is listed:** Same as the non-negative Exit	**(B) After the Participant has exercised the Share options** Shares from exercise of Share options by the Participants can be freely tradable on the secondary market, whether there is a negative Exit or a non-negative Exit, subject to statutory restrictions pursuant to applicable laws and regulations.

1 This includes the death (including declared death) of Participants, termination of labor or employment relations with the Company due to retirement, termination or dissolution of labor relations due to reasons such as Company's layoffs or expiration of labor/employment contracts, termination or dissolution of labor or employment contracts with the Company through mutual agreement, internal work transfers within the Company to positions outside the scope of eligible Participants, and other situations that do not have a negative impact on the Company.

2 This includes that the Participants cause damage to the Company by violating applicable laws, regulations or the Articles of Association, are investigated for criminal liability, are seriously derelict of duty, damage the Company's interests through illegal and disciplinary acts such as accepting bribes, leave their positions without permission, and engage in other acts determined by the Board to be detrimental to the Company's interests.

3 For the avoidance of doubt, if, upon Exit, the restricted Shares are transferred to the general partner of any of the Restricted Share Incentive Platforms or to Dr. YANG, then the said restricted Shares shall cease to be incentive Shares and shall no longer be subject to the Restricted Share Incentive Scheme.

g. Details of the Restricted Shares Granted Under the Restricted Share Incentive Scheme

(A) Restricted Shares

As of the Latest Practicable Date, all restricted Shares under the Restricted Share Incentive Scheme were granted. Details of the restricted Shares granted to Directors, senior management or connected persons under the Restricted Share Incentive Scheme are set out below:

			Awards held by the Participant corresponding to		
Name	**Position**	**Relevant Employee Incentive Platforms**	**Approximate partnership interests of the Employee Incentive Platform**	**Approximate Number of Shares corresponding to the Incentive Awards held by the Participants**	**Approximate shareholding percentage corresponding to the Incentive Awards held by the Participant in the total number of Shares in issue immediately following the Global Offering(1)**
Directors and senior management					
BAI Hongxing .	Executive Director and vice president	Jiaxing Yuxi	6.97%	1,102,633	0.26%
MA Lan	Vice president and chief human resource office	Jiaxing Yuxi	3.49%	551,751	0.13%
Connected persons					
KE Qi(2).	Manager of human resource department	Jiaxing Hexi	2.25%	124,253	0.03%
ZHANG Lei(3) .	Assistant to the general manager of the business department	Jiaxing Yuuxi	7.30%	261,539	0.06%
XIANG Dingyu(4) . . .	General manager of Anhui Galaxis	Jiaxing Yuxi	2.14%	338,871	0.08%

Note:

(1) Assuming that no Share options granted under the Pre-IPO Share Option Schemes are exercised and the Over-allotment Option is not exercised.

(2) KE Qi (柯琪) is a supervisor at Hubei Galaxis Tongda Technology and thus a connected person of our Company at the subsidiary level.

(3) ZHANG Lei (張蕾) is a supervisor at Galaxis Wuxi, Guangdong Galaxis Jiadi and Zhejiang Galaxis International Trade and thus a connected person of our Company at the subsidiary level.

(4) XIANG Dingyu (向定宇) is the director at Anhui Galaxis and thus a connected person of our Company at the subsidiary level.

(B) Outstanding Share Options Granted under the Pre-IPO Share Option Schemes

As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding Share options granted under the Pre-IPO Share Option Schemes amounted to 8,846,696 Shares, representing approximately 2.07% of the issued Shares immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and no further Shares are issued under the Pre-IPO Share Option Schemes). No consideration is paid for grant of the outstanding Share options under the Pre-IPO Share Option Schemes.

Assuming full vesting and exercise of all outstanding Share options granted under the Pre-IPO Share Option Schemes, the shareholding of our Shareholders immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised), will be diluted by approximately 2.03%.

As the Group incurred losses during the Track Record Period, the dilutive potential Shares were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, the diluted loss per share was the same as the basic loss per Shares.

Below is a list of the grantees who are Directors, members of senior management and connected persons of our Company under the Pre-IPO Share Option Schemes as of the Latest Practicable Date. No further Share options are expected to be granted under the Pre-IPO Share Option Schemes after the Listing.

Name	Position in our Group	Address	Grant Date	Vesting Period	Exercise Period	Exercise Price per Share (RMB)	Number of Shares underlying the outstanding Share options as of the Latest Practicable Date	Approximate % of issued Shares immediately after completion of the Global Offering[3]
Senior management								
SONG Yao	Chief financial officer and secretary of the Board	Room 1201, No. 9, Lane 199, Sikai Road, Songjiang District, Shanghai, PRC	June 6, 2025	*Note 1*	*Note 2*	3.2375	868,035	0.20%
Connected person								
KE Qi[4]	Manager of human resource department	Room 901, Unit 1, Building 12, Xincheng Jingcheng, No. 603 Xinnan Road, Hanyang District, Wuhan City, Hubei Province, PRC	September 30, 2019	*Note 1*	*Note 2*	2.2672	26,067	0.01%
Subtotal							894,102	0.21%

Notes:

(1) For the vesting period of such Share options, please refer to "— e. Vesting, Secondary Allocation and Exercise of Share Options — (A) Vesting of Share Options — (a) Vesting Period" above.

(2) 15 years commencing on the date of grant.

(3) Assuming that no Share options granted under the Pre-IPO Share Option Schemes are exercised and the Over-allotment Option is not exercised.

(4) KE Qi (柯琪) is a supervisor at Hubei Galaxis Tongda Technology and thus a connected person of our Company at the subsidiary level.

The table below sets forth the information on the options granted to grantees who are our employees but not our Directors, members of senior management or connected persons of our Company under the Pre-IPO Share Option Schemes as of the Latest Practicable Date.

Category by number of underlying shares	Number of grantees	Grant Date	Vesting Period	Exercise Period	Exercise Price per Share (RMB)	Number of Shares underlying the outstanding Share options as of the Latest Practicable Date	Approximate % of issued Shares immediately after completion of the Global Offering(3)
1-50,000	73	September 30, 2019, August 31, 2021 and June 6, 2025	*Note 1*	*Note 2*	2.2672 or 3.2375	2,286,288	0.53%
50,001-100,000 . . .	42	September 30, 2019, August 31, 2021 and June 6, 2025	*Note 1*	*Note 2*	2.2672 or 3.2375	3,110,513	0.73%
>100,000	13	September 30, 2019, August 31, 2021 and June 6, 2025	*Note 1*	*Note 2*	2.2672 or 3.2375	2,555,793	0.60%
Subtotal	128					7,952,594	1.86%

Notes:

(1) For the vesting period of such Share options, please refer to "— e. Vesting, Secondary Allocation and Exercise of Share Options — (A) Vesting of Share Options — (a) Vesting Period" above.

(2) 15 years commencing on the date of grant.

(3) Assuming that no options granted under the Pre-IPO Share Option Schemes are exercised and the Over-allotment Option is not exercised.

An application has been made to the Stock Exchange for the listing of and permission to deal in the H Shares which may be allotted and issued upon the exercise of the outstanding Share options pursuant to the Pre-IPO Share Option Schemes.

We have applied for, and have been granted (i) a waiver from the Stock Exchange from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules; and (ii) a certificate of exemption from the SFC from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. For details, see "Waivers and Exemptions" in this prospectus.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our financial condition or results of operations.

3. The Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the H Shares to be converted from Unlisted Shares and the H Shares to be issued pursuant to the Global Offering. All necessary arrangements have been made to enable our H Shares to be admitted into CCASS.

The Joint Sponsors confirm that they satisfy the independence criteria applicable to a sponsor set out in Rule 3A.07 of the Listing Rules.

Each of the Joint Sponsors will receive a fee of HK$2,000,000 for acting as the sponsors for the Listing.

4. Compliance Advisor

Our Company has appointed Guotai Junan Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of holder 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 current rate of Hong Kong stamp duty for such sale, purchase and transfer is a 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see "Appendix III — Taxation and Foreign Exchange" to this prospectus.

7. Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
Guotai Junan Capital Limited	Licensed corporation under the SFO to conduct type 6 (advising on corporate finance) as defined under the SFO
CITIC Securities (Hong Kong) Limited	Licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO
Lifeng Partners	PRC Legal Advisors to our Company
KPMG	Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Accounting and Financial reporting Council Ordinance
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Name	Qualification
Hogan Lovells	Legal advisers to our Company as to International Sanctions laws
Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo	Legal advisers to our Company as to U.S. Outbound Investment Rule

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

8. Promoters

The promoters of our Company are all of the 31 Shareholders of our Company as of July 13, 2021.

(1) S.F. Technology Co., Ltd. (順豐科技有限公司)

(2) Jiaxing Rongming Investment Partnership Enterprise (Limited Partnership) (嘉興融銘投資合夥(有限合夥))

(3) China Merchants Advanced Technology Development (Shenzhen) Co., Ltd. (招商局先進技術開發(深圳)有限公司) (formerly known as Shenzhen Zhaoguang Investment Co., Ltd. (深圳市招廣投資有限公司))

(4) Jiaxing Gaile Investment Co., Ltd. (嘉興蓋勒投資有限公司)

(5) CICC Gongying Qijiang (Shanghai) Kechuang Equity Investment Fund Partnership (L.P.) (中金共贏啟江(上海)科創股權投資基金合夥企業(有限合夥))

(6) Dr. GU Chunguang (谷春光)

(7) Jiaxing Zhehua Summitview Investment Partnership (L.P.) (嘉興浙華武岳峰投資合夥(有限合夥))

(8) Suzhou Huidao M&A Investment Fund Partnership Enterprise (L.P.) (蘇州匯道併購投資基金合夥企業(有限合夥))

(9) Jiaxing Huige Investment Partnership Enterprise (Limited Partnership) (嘉興匯戈投資合夥企業(有限合夥))

(10) Suzhou Industrial Park Oriza PE No. 2 Equity Investment Fund Partnership (L.P.) (蘇州工業園區元禾重元貳號股權投資基金合夥企業(有限合夥))

(11) Jointown Pharmaceutical Group Co., Ltd. (九州通醫藥集團股份有限公司)

(12) Qilu (Xiamen) Equity Investment Partnership (Limited Partnership) (啟鷺(廈門)股權投資合夥企業 (有限合夥))

(13) Jiaxing Jiumai Investment Co., Ltd. (嘉興九麥投資有限公司)

(14) Chengdu Huagai Tiantou Venture Investment Center (L.P.) (成都華蓋天投創業投資中心(有限合夥))

(15) Fuzhou Economic and Technological Development Zone Xingrui Yongying Equity Investment Partnership (L.P.) (福州經濟技術開發區興睿永瀛股權投資合夥企業(有限合夥))

(16) Beijing Mali Enterprise Management Co., Ltd. (北京馬力企業管理有限公司)

(17) Guangzhou Dashen Investment Partnership Enterprise (Limited Partnership) (廣州大參投資合夥企業(有限合夥))

(18) Jiangsu Jiequan Huajie Xinnuo Investment Enterprise (Limited Partnership) (江蘇疌泉華傑信諾投資企業(有限合夥))

(19) Suzhou Fangguang II Venture Capital Partnership (L.P.) (蘇州方廣二期創業投資合夥企業(有限合夥))

(20) Kunshan Xucun Investment Center (Limited Partnership) (昆山旭村投資中心(有限合夥))

(21) Wuxi Sumin Huixin Venture Capital Partnership Enterprise (Limited Partnership) (無錫蘇民匯鑫創業投資合夥企業(有限合夥))

(22) Suzhou Gu Yu Ding Ruo Equity Investment Management Partnership Enterprise (Limited Partnership) (蘇州古玉鼎若股權投資管理合夥企業(有限合夥))

(23) Xiamen Delta Xinshi Venture Capital Partnership (L.P.) (廈門達泰芯石創業投資合夥企業(有限合夥))

(24) Mr. HUANG Hong (黃宏)

(25) Wanlin International Holding Co., Ltd. (萬林國際控股有限公司)

(26) Suzhou Hengtong Delta Big Data Industry Fund Partnership (Limited Partnership) (蘇州亨通達泰大數據產業基金合夥企業(有限合夥))

(27) Ningbo Qingkong Huiqing Zhide Equity Investment Center (Limited Partnership) (寧波清控匯清智德股權投資中心(有限合夥))

(28) Foshan Delta Venture Capital Center (L.P.) (佛山達泰創業投資中心(有限合夥))

(29) Xiamen Junshi Hantuo Venture Capital Partnership Enterprise (Limited Partnership) (廈門鈞石翰拓創業投資合夥企業(有限合夥))

(30) Jiaxing Gencheng Venture Capital Partnership Enterprise (Limited Partnership) (嘉興根誠創業投資合夥(有限合夥)) (formerly known as Kunshan Gencheng Investment Center (Limited Partnership) 崑山根誠投資中心(有限合夥))

(31) Ms. MA Lan (馬蘭)

Save as disclosed in "History, Development and Corporate Structure," within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to the promoters named above in connection with the Global Offering and the related transactions described in this prospectus.

9. Bilingual Document

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 Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in so far as applicable.

11. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, trading position or prospects since September 30, 2025, being the date of our combined financial statements as set out in the Accountants' Report in Appendix I to this prospectus up to the date of this prospectus.

12. Miscellaneous

(i) Save as disclosed in "History, Development and Corporate Structure" and this Appendix and in connection with the Underwriting Agreements, within the two years immediately preceding the date of this prospectus:

(a) no share or loan capital of our Company or any of its subsidiaries has been issued nor agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

(b) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any Share or loan capital of our Company or any of our subsidiaries;

(c) no Share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option; and

(d) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions of any share in our Company or any of our subsidiaries;

(ii) We have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(iii) There are no arrangements under which future dividends are waived or agreed to be waived;

(iv) There are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(v) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months preceding the date of this prospectus;

(vi) There are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(vii) No part of the equity or debt securities of our Company or any member of our Group, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought; and

(viii) Our Company has no outstanding convertible debt securities or debentures.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in "Appendix VI — Statutory and General Information — E. Other Information — 7. Consents of Experts;" and

(b) a copy of the material contract referred to in "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.galaxis-tech.com** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report from KPMG, the text of which is set out in Appendix I to this prospectus;

(c) the audited financial statements of our Group for the three years ended December 31, 2022, 2023 and 2024, and for the nine months ended September 30, 2025;

(d) the report on unaudited pro forma financial information of our Group from KPMG, the text of which is set out in Appendix IIA to this prospectus;

(e) the agreed-upon procedure report on agreement with financial information for the year ended December 31, 2025 issued by KPMG;

(f) the legal opinions issued by Lifeng Partners, our PRC Legal Advisors in respect of certain matters of our Group in the PRC;

(g) the industry report prepared by Frost & Sullivan, the summary of which is set forth in "Industry Overview;"

(h) the PRC Company Law, the PRC Securities Law, and the Overseas Listing Trial Measures together with their unofficial English translations;

(i) the material contract referred to in "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract;"

(j) the written consents referred to in "Appendix VI — Statutory and General Information — E. Other Information — 7. Consents of Experts;"

(k) the service contracts referred to in "Appendix VI — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Directors — (ii) Particulars of Service Contracts;"

(l) the memorandum issued by Hogan Lovells, our legal advisers as to International Sanctions laws;

(m) the memorandum issued by Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo, our legal advisers as to U.S. Outbound Investment Rule; and

(n) the terms of the Pre-IPO Share Option Schemes.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of all the grantees under the Pre-IPO Share Option Schemes will be made available for public inspection at our Company's Hong Kong legal advisor's office in Hong Kong at 26/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus.

浙江凱樂士科技集團股份有限公司
Zhejiang Galaxis Technology Group Co., Ltd.